

# The NATIONAL UNDERWRITER

## Life Insurance Edition

### QUALITY PAYS

Appreciating the waste and loss that come through lapsation of policies, Acacia in 1921 adopted as a slogan, which has been printed on its stationery and literature ever since, the following—

"Do not lapse your policy in any other old line company to take one in Acacia;

"Do not lapse your policy in Acacia to take one in any other old line company;

"You lose in either case."

In order to attack this problem at its source, Acacia in 1923 introduced a new form of agent's contract that put a penalty on high pressure selling and wasteful business and put a premium on quality business. Under this contract the Acacia agent is paid a continuous fee for servicing his business and keeping it in force—a decided departure from the usual agent's contract which provides renewal compensation or service fee for only a limited number of years.

Emphasizing in this way "Quality Business from Quality Agents," Acacia has constantly, year after year, improved its lapse rate until in 1939 it was only 4.96%, the lowest in the company's history—a proof that *quality pays*.

Acacia's phenomenal growth since the adoption of this principle is further proof that *quality pays*. In the sixteen year period from 1923 through 1939, insurance in force increased from \$152,190,700 to \$410,875,279 or 170%. During the same period, assets increased from \$9,259,891 to \$86,710,543 or 836%.

This record shows that Acacia's policyholders are satisfied—that they have confidence in Acacia's management—that they believe in Acacia's future. Acacia's agents are qualified insurance men who sell policies that fit their prospects' needs at the lowest possible cost consistent with safety.

Acacia does not emphasize business *sold*—it emphasizes business *gained*. Because Acacia's growth and financial strength prove that *quality does pay*, Acacia in 1940 will continue to adhere to its standard:

"Better qualified field men, better informed policyholders, so that lapses may be reduced and the waste and loss incident thereto prevented."

#### FINANCIAL STATEMENT—AS AT DECEMBER 31, 1939—

ASSETS		RESERVES AND LIABILITIES	
First Mortgage Loans on Improved Real Estate.	\$42,490,899.04	Legal Reserve to Protect Policyholders	
Bonds and Stocks*		Computed on the American Experience Table of Mortality. Reserve confirmed by Certificate of The Department of Insurance, District of Columbia	\$70,822,121.10
United States Government Bonds.	\$ 3,854,251.50	Extra Reserves to Protect Policyholders	
Public Utility Bonds.	4,631,530.74	For Disability and Other Benefits and Supplementary Contracts.	3,812,631.33 \$80,634,752.32
Railroad Bonds	2,139,432.09	Reserves for Dividends to Policyholders.	553,969.09
Municipal, Federal Land Bank and Other Bonds.	1,439,291.47	Reserve for Policy Claims not yet Completed or Reported	441,000.61
	\$12,064,505.80	Reserve for State and Federal Taxes	340,696.67
Miscellaneous Stocks	196,491.00 12,260,996.80	Premiums and Interest Paid in Advance	1,108,495.47
Loans on Company's Policies Secured by Policy Reserves	19,701,224.23	All Other Liabilities	217,872.94
Real Estate—(Including Home Office Property \$2,027,352.71)	5,738,171.00	Total Reserves and Liabilities on Account of Policyholders	\$83,297,746.70
Cash in Banks and in Offices.	1,848,536.50	Reserve for Contingencies	
Net Premiums Deferred and in Process of Collection	3,944,418.29	To Provide for Investment Value Fluctuations	\$ 1,000,000.00
Interest Due and Accrued	612,478.07	Unassigned Surplus	2,412,796.60 3,412,796.60
All Other Assets	112,818.77	Total to Balance Admitted Assets.	\$86,710,543.30
Total Admitted Assets.	\$86,710,543.30		

\*Bonds subject to amortization are stated at amortized values as prescribed by The National Association of Insurance Commissioners, while bonds not subject to amortization and stocks are stated at market values.

#### Highlights of 1939

- Total placed business of \$33,229,402 with a net increase of \$9,526,436
- Increase in admitted assets \$7,022,927
- Net interest earnings 4.70%
- Ratio of actual to expected mortality 48.72%
- Lapse rate 4.96%

## ACACIA

### MUTUAL LIFE INSURANCE COMPANY

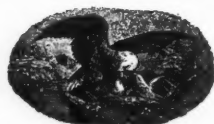
WILLIAM MONTGOMERY, President

WASHINGTON, D. C.

FRIDAY, MARCH 29, 1940

# NEW YORK LIFE

## INSURANCE COMPANY



A Mutual Company, Founded on April 12, 1845 . . . . . Incorporated under the Laws of the State of New York

THOMAS A. BUCKNER  
Chairman of the Board

51 Madison Avenue, New York, N. Y.

ALFRED L. AIKEN  
President

## 95<sup>th</sup> Annual Statement

A BRIEF DIGEST... DECEMBER 31, 1939

Paid to Policyholders and Beneficiaries in 1939.....	\$210,625,618
Increase of \$9,130,681 over 1938	
Total of such payments during the past ten years exceeded	\$2,180,000,000
Insurance in force, Dec. 31, 1939.....	\$6,830,834,796
Increase of \$37,008,487 over Dec. 31, 1938	
New Insurance in 1939.....	\$427,756,600
Increase of \$4,939,100 over 1938	
Surplus Funds reserved for General Contingencies, Dec. 31, 1939.....	\$125,639,022
Increase of \$1,083,811 over Dec. 31, 1938	
Voluntary Investment Reserve, Dec. 31, 1939.....	50,000,000
Increase of \$5,000,000 over Dec. 31, 1938	
Total reserved for Contingencies.....	\$175,639,022
Dividends payable to Policyholders in 1940.....	\$39,216,872

The market value of all bonds on December 31, 1939 was  
\$55,000,000 in excess of the value at which they are shown in the assets below.

### ASSETS

Cash on Hand, or in Bank.....	\$67,927,082.39
United States Government, direct, or fully guaranteed Bonds.....	701,727,225.08
State, County and Municipal Bonds.....	243,755,266.62
Canadian Bonds.....	81,887,383.00
Railroad, Public Utility, Industrial and other Bonds.....	615,596,078.35
Preferred and Guaranteed Stocks.....	86,064,795.00
Real Estate Owned (Including Home Office).....	123,135,251.65
First Mortgage Loans on Real Estate (including \$488,108.11 foreclosed liens subject to redemption).....	450,586,021.57
Policy Loans.....	329,117,047.42
Interest and Rents due and accrued.....	29,323,995.01
Net Amount of Uncollected and Deferred Premiums.....	33,148,123.99
Other Assets.....	10,212.82
TOTAL.....	\$2,762,278,482.90

### LIABILITIES

Insurance and Annuity Reserves.....	\$2,245,682,435.00
Present Value of Amounts not yet due on Supplementary Contracts.....	147,366,448.04
Dividends Left with the Company.....	118,930,277.31
Other Policy Liabilities.....	15,898,719.23
Premiums, Interest and Rents Prepaid.....	11,091,117.08
Miscellaneous Liabilities.....	3,505,635.85
Estimated Taxes.....	4,947,956.39
Dividends payable to Policyholders in 1940.....	39,216,872.00
Voluntary Investment Reserve.....	50,000,000.00
Surplus Funds reserved for General Contingencies.....	125,639,022.00
TOTAL.....	\$2,762,278,482.90

Securities valued at \$41,067,951.95 in the above statement are deposited with Governments, States and Trustees as required by law. Canadian currency Assets and Liabilities carried at par of exchange.

A more complete report containing a list of securities owned by the Company will gladly be sent upon request.

### BOARD OF DIRECTORS

ALFRED L. AIKEN  
President

JAMES ROWLAND ANGELL  
Educational Counselor of  
National Broadcasting Company

NATHANIEL F. AYER  
Treasurer, Cabot Manufacturing Company

ARTHUR A. BALLANTINE  
Lawyer

CORNELIUS N. BLISS  
Retired

HENRY BRUÈRE  
President, Bowery Savings Bank

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The New York Trust Company

THOMAS A. BUCKNER  
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President, Columbia University

CHARLES A. CANNON  
President, Cannon Mills Company

GEORGE B. CORTELYOU  
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Treasury of the United States

WILLIAM H. DANFORTH  
Chairman of the Board,  
Ralsion-Purina Company

ROBERT E. DOWLING  
President, City Investing Company

JAMES G. HARBORD  
Chairman of the Board,  
Radio Corporation of America

CHARLES D. HILLES  
New York State Resident Manager,  
Employers' Liability Assurance Corporation

HALE HOLDEN  
Chairman, Southern Pacific Company,  
Retired

HERBERT HOOVER  
Former President of the United States

PERCY H. JOHNSTON  
Chairman of the Board,  
Chemical Bank & Trust Company

WILLARD V. KING  
Retired Banker

GERRISH H. MILLIKEN  
President,  
Deering, Milliken & Company

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Vice-Chairman, Inland Steel Company

Chairman,  
Joseph T. Ryerson & Son, Inc.

HARPER SIBLEY  
Banking and Agriculture

ALFRED E. SMITH  
President,  
Empire State, Inc.

J. BARSTOW SMULL  
Vice-President,  
J. H. Winchester & Co., Inc.

PERCY S. STRAUS  
President, R. H. Macy & Co., Inc.



# The NATIONAL UNDERWRITER

Forty-fourth Year—No. 13

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MARCH 29, 1940

\$3.00 Year, 15 Cents a Copy

## Seminar Alumni Get Closeup View of Home Life 'Pattern'

### Research Bureau Group Learns of Selective Recruit- ing and Training Program

NEW YORK—President James A. Fulton and agency officers of Home Life took the eastern alumni of the Sales Research Bureau schools behind



JAMES A. FULTON

the scenes to show how the company has correlated all its operations to create a quality program which produced a 13.6 percent increase in new business in 1939 and a gain of insurance in force of 6.46 percent—a gain which represented 41 percent of all new businesses paid for last year.

The meeting was the second of the alumni seminars. Besides Mr. Fulton, speakers included W. H. Bender, Jr., general agent National Life of Vermont and president of the alumni group; J. M. Holcombe, Jr., manager Sales Research Bureau and the following from the Home Life agency department: W. P. Worthington, superintendent of agencies, and E. C. Kelly, Jr., and J. H. Evans, assistant superintendents, and F. H. Low, agency field assistant, who was program chairman.

### Pattern Is Flexible

"We feel that the basic element in our development is the fact that it embodies a company pattern," said Mr. Fulton in sketching Home Life's plan of coordination to meet the demands of modern life insurance selling. "I use the word 'pattern' rather than 'plan.' Plan implies something rigid, to be fol-

(CONTINUED ON PAGE 22)

## Contest This Year in U. S. Chamber

### W. E. McKell Becomes a Candidate for Position of Insurance Director

Every indication points now to a very spirited contest for the position of insurance director of the U. S. Chamber of Commerce, the term of J. H. R. Timanus, secretary of the Philadelphia Contributionship, expiring. He is a candidate for reelection. The stock casualty and surety companies are backing W. E. McKell of New York City, vice-president of the American Surety and New York Casualty, a man prominent in the organizations of stock casualty and surety companies, and who is forceful and able in his business activities. The stock casualty and surety companies have not been represented on the occupational or divisional directorate of the U. S. Chamber. The mutual companies represented in the

(CONTINUED ON PAGE 11)

## Salt Lake City Makes Bid for 1941 Convention

SALT LAKE CITY—A strong bid for the 1941 convention of the National Association of Life Underwriters will be presented by Salt Lake City at the coming mid-year meeting in Atlanta. President Frank Mozley of the Salt Lake Life Underwriters Association is engineering the movement to have the convention held here. He will have the support of the Salt Lake chamber of commerce, Mayor Jenkins and the city commissioners, Governor Blood, the two domestic life companies—Beneficial and Pacific National—insurance organizations representing all lines, the Deans Club, whose membership comprises western veteran life insurance men; Commissioner Neslen of Utah, who is president of the National Association of Insurance Commissioners, and the Utah Life Managers Association.

### CINCINNATI IS MENTIONED

NEW YORK—With the coming mid-year meeting of the National Association of Life Underwriters April 5-6 at Atlanta, Cincinnati is being prominently mentioned for the annual meeting in 1941. Cincinnati has not had a national meeting since 1913, is in an accessible and central location, and has a number of prominent and active men in association affairs, as well as being one of the outstanding cities life insurance-wise.

### BALTIMORE IS CANDIDATE

BALTIMORE—Announcement has just been made that the Baltimore Life Underwriters Association has extended an invitation to the National Association of Life Underwriters to hold its annual convention in Baltimore in September, 1941.

A special committee of the Baltimore association will be appointed by President T. J. Mohan to urge that the invitation to meet in Baltimore in 1941 be accepted.

## Bankers of Iowa in New Building

### Dedication on April 13 to Follow Three Day Housewarming

DES MOINES—The Bankers Life of Des Moines will dedicate its new home office building April 13, climaxing a three-day housewarming and 60th anniversary school of instruction, to be participated in by qualifiers for 1939 honor clubs and the entire home office staff. President Gerard S. Nollen will be in charge of the dedication exercises assisted by E. M. McConney, vice-president and actuary; G. W. Fowler, vice-president and treasurer; W. W. Jaeger, vice-president, and R. J. Clemens, president Standard Glass & Paint Company, a director. The exercises will be held in the auditorium of the new building beginning at 10 a. m.

The Bankers Life has moved into its new quarters and efforts are now being directed toward getting the entire home office completed and in order for the housewarming, to be followed one week later by public inspection of the new building.

### Families to Inspect Building

The first group to inspect the new building will be families of the home office employees who will tour the building on April 2. During the same week, members of several Des Moines civic organizations will inspect the new quarters, while on April 5, a tour of the building is to be part of the program of the annual convention of publishers of Iowa weekly newspapers.

Honor club agents will assemble in Des Moines on April 11 to tour the new building. On April 12 a full day's program is planned in the auditorium. In the morning representatives of the home office staff, the field, agency managers and the official staff will speak. In the afternoon, President Nollen will speak on "Yesterday, Today and Tomorrow." Following Mr. Nollen's talk, the directors will hold a reception in the directors' room for salesmen who qualified to attend that affair during a special sales campaign.

Open house will be held for the public from April 16-19, including two evenings.

### Greeted Over Speaker System

President Nollen used a novel means to welcome the employees to the new office building when they came to work there for the first time. Loud speakers were installed throughout the new building to call different members of the staff and office force and Mr. Nollen officially greeted the employees over the system. Vice-president E. M. McConney also welcomed the workers to the new building.

The transfer of equipment from seven floors in the Liberty building to new home office required careful planning and took the services of six Des Moines transfer companies. The movers took over shortly after the employees left Friday evening and by Saturday afternoon everything had been set up in the new building.

## Ray Hodges Not to Run for National Vice-president

### Cincinnatian's Decision Makes John Witherspoon Almost Certain Choice

CINCINNATI—Ray Hodges, secretary of the National Association of Life Underwriters, questioned as to his plans for advancement in connection with the



RAY HODGES

National association, announced that he would not be a candidate for election as vice-president at the annual convention in Philadelphia in September. It had been thought that Mr. Hodges would follow the custom of some of his predecessors and that his friends would campaign to have him elected vice-president.

Mr. Hodges explained that even if he were desired as a candidate for that office and had the possibility of being advanced from secretary, he could not consider assuming the additional responsibilities at this time because of the increasing obligations the officers of the National association have been assuming, the president practically devoting all his time to that office, as C. J. Zimmerman, the present president, and former presidents have done. His own responsibilities as manager of the home office general agency of Ohio National Life have increased materially and additional work has been required to make up for the several months he lost in 1938 and 1939 because of a physical disability. Mr. Hodges also feels that officers should not necessarily be advanced unless it is certain they have the time, energy, and ability to assume increased responsibilities. If the mem-

(CONTINUED ON PAGE 11)

## New York Sales Congress Emphasizes Streamlining

NEW YORK—True to its designation, the "streamlined" sales congress of the New York City Life Underwriters Association covered a lot of territory with a high degree of efficiency. Agents were shown how to streamline their sales talks, their prospecting and even the prospects' objections.

Speaking on "Streamlining Yourself," Vice-president Frank L. Jones of the Equitable Society denounced the adage, "You can't teach an old dog new tricks," as the most vicious of all fettering concepts. It is such thinking, he said, that has made it difficult to get men 35 and older to believe themselves capable of further development, to realize they are just as capable of mental growth as when they were younger.

### Developing Older Men

"It is only in the last 35 years that much thought has been given to the means of developing adults," he said. "In that time there have been four great contributions to the solution of the problem."

These he listed as the emphasis on habit given by Professor James of Harvard, who thoroughly developed the idea that habits are strong motivating forces and even developed rules for the eliminating of one habit and adding another. Then, Thorndike of Columbia University proved that adults can learn with approximately the ease of youth and did more in adult education than any other man. Third in Mr. Jones' list was Mursell, also of Columbia, who demonstrated beyond any doubt that the only way to grow mentally is to continue to learn and that when this point is added to Thorndike's discoveries, "You clear the way for mental growth and activity."

The fourth great contribution, said Mr. Jones, was made by Lorge, who proved by long experimentation that barring disease, mental power need not decline with advancing age.

### Lethargy Is Induced

Mr. Jones deplored the fact that there is a great break in most individuals' habits of learning starting with graduation from college or professional school. Even in the professions, he said, few continue to learn. One obstacle, he observed, is that men convince themselves that they have had their schooling or learning and that therefore they must use what they have already learned. This induces a sort of lethargy, he said, which must be overcome, and this self-awakening he identified with the "streamlining" theme of the sales congress.

"It is exactly like streamlining anything else," he said. "You must constantly modernize your thinking and your thinking and your procedures, eliminating deterrents and adding all the stimulants and encouragements that are required."

The ideal combination, he said, is one of streamlining to keep alert and progressive and reliance on habits for their efficiency and motivating value. He cited examples to show how outstanding men usually depend on one or the other of these aids but only the extremely rare exception is able to combine the power of excellent habits, or work routines, with the constant modernization of procedures and mental processes colloquially known as streamlining.

### H. H. HOFMEISTER

H. H. Hofmeister, Baltimore, who led the Metropolitan Life's entire force in production of both ordinary and industrial, described his method of work. Much of his ordinary production is based on insurance to retire the insured's mortgage in case he dies. There was particular interest in his talk because the trend to amortized mortgages initiated

by the FHA and followed by a number of institutional lenders, including life companies, has greatly broadened the market for this type of policy. Essentially it is a combination of term and ordinary, diminishing as the unpaid balance of the mortgage diminishes.

Mr. Hofmeister selects each week three or four homes where the premiums are all paid up and the family seems prosperous. He asks the housewife whether they are buying the home. If so, he brings out a company booklet on accidents in the home and after a little talk on that mentions that the home itself should be safe—safe from loss in case the family head should die before the mortgage had been paid off.

### Talks to Mr. Prospect

In a few days he comes back and talks to the husband, who has already heard about the matter from Mrs. Prospect. Often Mr. Hofmeister asks if he knows certain people in the neighborhood and then suggests he ask them how they like the mortgage insurance they have bought.

One slant he finds particularly useful. After explaining it all to the prospect, he asks him if he understands it. Nearly always he says he does, so Mr. Hofmeister asks him to explain it to see if he really does understand it. In going over it, the prospect usually becomes very much more interested and even enthusiastic. If he cools off, Mr. Hofmeister may ask him, "Suppose when you bought the house the builder had said, 'For another \$3 a month I'll cancel the remainder of the debt in case you die and your family will have the house free and clear.' That is just what I'm offering you." Since the prospect is usually paying about \$30 a month on his mortgage, the extra \$3 or so seems quite reasonable for the benefit offered.

### J. E. BRAGG

In a talk literally sprinkled with very human anecdotes, J. E. Bragg, manager Guardian Life, sketched the life of a typical American in relation to his life insurance. He named his hero after the character popularized in the columns of Westbrook Pegler.

Taking Mr. Spelvin through life's jumps, Mr. Bragg showed how at each crisis a well engineered program of life insurance was there to take care of the situation. Mr. Bragg did not kill off his

hero but took him through to retirement. The death insurance angle was cleverly brought in by having the death of another George Spelvin come to the attention of the central character.

### JUNIOR PANEL

In the junior panel six agents less than two years in the business but with an average production of at least \$200,000 a year gave some sidelights on their methods.

Henry Silver, Travelers, told how he sells a retirement income policy to the young man who feels that perhaps government bonds, or private investments in securities or real estate are better. Using a chart, Mr. Silver showed how the retirement income policy is so flexible that no matter where one elects to stop the values are always better than the other types of investment. Even if the insured keeps it only five years he will have term insurance for the face of the policy until his children have grown up. If he keeps it 10 years he will have a paid-up policy for the face amount. If he quits after 20 years he will have a paid up endowment policy. If the contract is carried to maturity there is a retirement income of \$10 a month per \$1,000 face amount.

### Life Insurance as Investment

This return works out to about double what a man can get on any other type of investment and in addition there is a disability waiver of premium which cannot be had with other investments. Having formerly been in the investment counsel field, Mr. Silver said he was much impressed by life insurance as a pure investment, since it guarantees its value not only against disability and death but also guarantees the cash values at every stage. The foundation of any sound personal investment program is a foundation of bonds, he said, and for this backlog life insurance is unsurpassed, he said.

### Prospecting Starts With Sale

Robert Israel, Union Central, goes on the theory that prospecting begins with the right kind of sale. Even in the approach he paves the way for the prospect's giving him the name of some one to call on, whether a sale is completed or not. Mr. Israel keeps constantly before him the need of replenishing the supply of prospects, since he feels that "every time we see a prospect we are on the way out of the business unless we replace him with one as good or better."

One method he uses in getting these names is to ask the man he is talking

## Completing Program for the Southern Round Table



JOHN M. EHLE

John M. Ehle of the Imperial Life of Asheville, N. C., is general chairman of the Southern Round Table of the Life Advertisers Association and is now completing the program for the annual meeting at Jung Hotel, New Orleans, April 11-12. He is assisted in his arrangements by J. B. Trotter, Pan-American Life, vice-chairman. William Sexton, Great Southern Life, is round table secretary; Powell Stamper, National Life & Accident, exhibits chairman. Karl Ljung, Jefferson Standard, who is president of the Life Advertisers Association, has called a meeting of the executive committee at New Orleans, for April 10, one day in advance of the Southern Round Table sessions.

to, "If John Prospect were to walk into this office you would introduce me to him, wouldn't you?" The man of course agrees, after which Mr. Israel says, "Then you won't mind giving me an introduction to him, will you?"

To the prospect who is reluctant to talk about his insurance Mr. Israel puts seven questions which get to the point quickly but politely: How many years have you worked? You've earned a lot of money in that time, haven't you? In spite of all you have earned you've saved very little, haven't you? If you continue to save in the future at the same rate as in the past, are you going to be able to retire at age 60 or 65 and do the things you have been dreaming about? Don't you think any serious minded man should be able to save \$2 or \$3 a week? If I prepare a proposal knowing how much we can do for you on a savings plan will you take the time to sit down with me and give it serious consideration? Do you know the retirement values of your present insurance at age 65? (The last question is optional.)

As a parting shot Mr. Israel said: "I'm sure you will all agree that sales would be doubled if we all worked as hard as our wives think we do."

### Avoids Elders' Errors

Philip Lederer, Connecticut Mutual, also stressed prospecting, saying that its importance had been brought home to him by observing old timers who had a wonderful story to tell and knew how to sell but had no place to go and no one to talk to. He decided to avoid that mistake. Since he makes about 60 calls a week he takes the stand that he must get at least that many new names to call on each week or he will soon be out of prospects. Most agents, he said, accept prospecting too casually and not as a job in itself.

Kenneth Connell, Phoenix Mutual, (CONTINUED ON PAGE 24)

## Atlanta Leaders Ready for Big Day



H. W. INDELL



S. RUSSELL BRIDGES



W. STANTON HALE

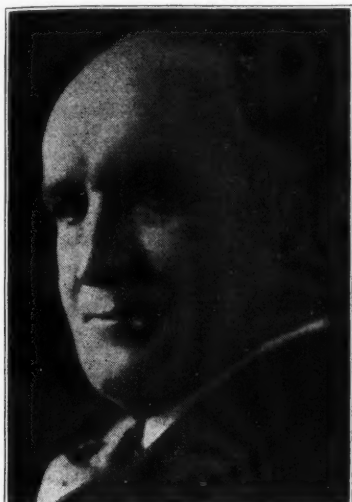
Three of those who have important duties in connection with the mid-year meeting of the National Council of the National Association of Life Underwriters in Atlanta, April 5, and the big sales congress the following day are H. W. Indell, S. Russell Bridges, Jr., and W. Stanton Hale. Mr. Indell, who is manager of Metropolitan Life, is

president of the Atlanta Life Underwriters Association. Mr. Bridges, who is general agent of Provident Mutual Life, is vice-president of the Atlanta association and chairman of the sales congress. Mr. Hale, who is manager of Fidelity Mutual Life, is president of the Atlanta Life Managers Club. All have been very active in making arrangements.



## O'Donohue Heads Reserve Loan, Tex., Now on Location

DALLAS—W. T. O'Donohue, who has been vice-president of Reserve Loan Life of Indiana, was elected president of Reserve Loan Life of Texas as the latter company got in position to write business in its home in the old City National building here. The records of the Indiana company and its officers and other personnel who are remaining with the Texas company, have now arrived



W. T. O'DONOHUE

here. Mr. O'Donohue was elected vice-president of Reserve Loan Life in 1937. He has been in the business about 23 years. For several years he was a home office executive for Jefferson Standard Life and was located in California for that company for a time. He was for a time vice-president of Manhattan Life.

George Perryman was elected vice-president of the Texas company; H. G. Woodbury, secretary-treasurer, and Don Carter, assistant treasurer.

The old bank building has been completely renovated and remodeled for home office purposes.

### DETAILS OF MOVING DAY

INDIANAPOLIS — Twenty-five moving vans, a Pullman special car and an undetermined number of automobiles comprised the caravan which transported the home office force and furniture, equipment and fixtures of all descriptions from the Reserve Loan Life of Indiana home office building to the new quarters of Reserve Loan Life of Texas in Dallas. The loading began in Indianapolis on Thursday and it was Saturday noon of last week before the last load started on its long overland trek.

Officers of the Indiana company who are moving to Dallas to continue with the company are Harry G. Woodbury, secretary-treasurer; W. T. O'Donohue, who has just been elected president; and D. H. Carter, assistant-treasurer. Practically all department heads made the move and about half of the office staff of 60 are casting their lot with the company in its new location. The special Pullman was provided for girls of the office not attached to families. Many of the employees drove in their own cars.

### Home Office Building

The company occupied a substantial four-story home office building which it owned and which is well located for future business development in Indianapolis. It was built with the idea of adding stories later as need developed. It is understood that the Texas company owners will dispose of the building if this can be done to advantage. It

(CONTINUED ON PAGE 11)

## Burt Succeeds Dunn as South Dakota Commissioner

PIERRE—George K. Burt, for three years chief examiner of the South Dakota department, has been named insurance commissioner of South Dakota, succeeding Pat J. Dunn, who has resigned to take an insurance position in California.

Following 12 years as editor of the South Shore "Republican," the new commissioner has been in the insurance business for 30 years, in Watertown and elsewhere in Codington county. He was also a banker for 15 of those years, and for two years was an examiner for the state banking department. At the time of his appointment he was in Boston on an official examination.

### Served in Legislature

Mr. Burt was a member of the lower house of the South Dakota legislature in 1921, and served on the insurance and banking committees. His record was such that he was prominently mentioned for the speakership at the next session, but before that next session the wave of strength of the Non-Partisan League swept down from the north, and he wasn't a member of the legislature any more.

The new commissioner filled most of the town offices in South Shore during his years of residence there, and has served on the board of education in Watertown. He has a family consisting of Mrs. Burt and five children.

Mr. Dunn assumed office July 1, 1937. He was supervisor of agents in South Dakota for Northwestern National Life in 1915-1917. He then became cashier of the Ree Valley Bank at Orient, S. D. At the same time he operated a local agency. In 1929 he was appointed postmaster at Orient. In 1933 he moved to Miller where he operated a fire and life agency until he was appointed commissioner.

## Drama of Life Insurance Real Stimulus to Agents

NEW YORK—Matching wits with fate to keep the tragedy of poverty from adding itself to that of personal loss is a real stimulus to many agents, particularly those established long enough to have seen claims paid on the lives of some of their own clients. Fairly typical is the experience of J. Roy Robbins, New York City, Home Life of New York, who has just completed 36 years in the business and recently wrote his 1,000th case.

For example, the explosion scars still to be seen on J. P. Morgan & Co.'s building at Broad and Wall streets have a particular significance for Mr. Robbins. Nearly 20 years ago a young financial executive was walking up Broad street on his way to lunch. Just as he turned into Wall street there was a deafening roar and sheets of flame shot out, burning him so badly that he died the next morning.

### First Substantial Policy

Only a few months before, Mr. Robbins had sold this young man his first substantial life insurance policy. He was just starting up the ladder of success and could not afford all the insurance he wanted but he did establish a program to guarantee his wife \$100 a month for life. The widow has received nearly \$28,000 thus far and will presumably receive many more thousands of dollars, for she is in good health and still comparatively young. The client's total investment was only \$1,800.

One of the earlier cases Mr. Robbins wrote has carried through two generations in its effect.

"Back in 1905 I started planning a life insurance program for a manufacturing executive who was a wealthy man and chief officer in a concern which

had been in his family for more than 100 years," said Mr. Robbins. "His life insurance was but a small part of his wealth but he regarded it highly and paid it up as quickly as he could with the result that by 1925 it was all paid-up insurance."

### Insurance the Sole Asset

"During the recent depression that man died and I learned from his family that practically his total wealth at death was this paid-up life insurance. His business had gone into the hands of creditors and his other personal holdings had shrunk to practically nothing. That life insurance meant so much to his widow and son that the son was readily shown the place of insurance in planning the future. The son purchased a large amount of life insurance and increased this as time went on. He prospered in business but he too found himself eventually in the same position as his father, with business equities gone and his sole wealth the life insurance policies he had bought. Today, at retirement, he finds this life insurance there to provide him with an income of several hundred dollars a month. That father and son picture, cut to the same pattern, is to me one of the most dramatic spots in my many contacts."

"Incidentally, I have another manufacturer client who has seen the value of life insurance both as protection and investment. He and his brother, partners in their concern, have made life insurance a definite part of their investment portfolio and list it as an investment in all their planning. They have arranged fully paid-up income plans for themselves to begin at an early age and have also purchased future annuities for their wives and individually for each of their six children."

### Has Almost Paternal Interest

One of the families in which Mr. Robbins has a particular interest is that of a client who in 1930 increased his insurance by \$30,000, bringing the total to \$62,500. He died in 1933. The widow has received about \$200 monthly since then, and will continue to as long as she lives. Two sons went to college on the educational policies of \$5,000 each which their father had provided. One of the boys, now graduated, has a good job. The other, one of the leaders in his class and president of his fraternity, will graduate this spring and step into an excellent position.

Mr. Robbins has an entirely justifiable pride in the careers of these two young men for without the insurance to provide for their education it would have been difficult if not impossible for them to be where they are today.

One tragic case came very near losing the benefits of life insurance but just got under the wire. The client bought his first policy in 1905 and added his last policy in 1921. Then, when the depression struck, the family met reverse after reverse. They borrowed heavily on the policies. They were forced to lapse some but Mr. Robbins prevailed on them to leave the last \$50 in one of the policies and use it to put the policy on extended insurance.

### Took Care of All Expenses

That policy provided nearly \$4,000 until December, 1933. In November the insured died and that \$4,000, which was all the family had, enabled them to pay all expenses and provide for the widow, who was an invalid and who also died a few months later. The sons were fully grown and have been able to take care of themselves but the \$4,000 provided money for their acute emergency expenses at a time when they had no other available funds.

"Unfortunately, one of my clients who met reverses in 1933 was not so

(CONTINUED ON PAGE 10)

## SALE OF THE SALE

Two professional movies have been produced, at Hollywood, by the Institute of Life Insurance. The second is now released, under the title, "American Portrait." The first, called "Yours Truly, Ed Graham," has been going the rounds of schools, clubs, business groups, and movie houses. But its work is only begun.

As a life underwriter, you have both portraits of yourself and of your job. But you will want more than merely to see them yourself. You will want the lay public to see them and to absorb the story they tell, the story of you and what you sell. These two movies provide something all of us have been hoping for, asking for, urging, these many years—the sale of your sale.

Or rather, they provide the possibility of a sale of your sale. There is no opportunity for that without these movies going to work. The job of putting them to work is the job of obtaining bookings for the movies.

Surely you have long since been convinced that life insurance does not sell itself. Similarly, these movies won't book themselves. Booking them is up to you. You are salesmen—and the job is the sale of a sale of your sale.

\* \* \*

## THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## POSTAL LIFE INSURANCE COMPANY

OF NEW YORK, N. Y.

Home Office: 511 Fifth Avenue

### 35TH ANNUAL FINANCIAL STATEMENT

December 31, 1939

ASSETS		LIABILITIES	
Bonds . . . . .	\$ 2,452,244.34	Policy Reserves (re- quired by law) . . .	\$14,506,986.00
Government, Municipal, Railroad and other securi- ties in the United States and Canada.		Fund guaranteeing the policy benefits payable on death claims, endowment maturities and annuities.	
Loans on Bond and Mortgage . . . . .	2,224,270.39	Policy Reserves Cover- ing Disability . . . .	23,709.00
Consisting of First Liens on Real Estate.		Policy Claims in course of payment . . . . .	53,447.00
Real Estate . . . . .	3,599,565.01	Amounts payable to bene- ficiaries who have not yet completed proofs of death.	
\$2,450,000 of this amount represents the Home Office Building at 511 Fifth Avenue, New York.		Supplementary Con- tracts . . . . .	139,773.00
Policy Loans . . . . .	6,750,228.14	Amounts set aside to pay policy proceeds under in- stallment contracts over a period of years.	
Fully secured by legal reserve.		Premiums and Interest paid in advance.	202,518.61
Premiums Due and De- ferred (Net) . . . . .	236,446.00	Dividend Obligations .	174,851.35
Payments in the mails and premiums unpaid during the 30-days grace period, also balance of in- stallment premiums.		Includes \$150,603.48 divi- dends accumulated with interest and left with the Company to the credit of Policyholders.	
Miscellaneous Assets .	9,145.00	Miscellaneous Liabil- ities . . . . .	49,218.39
Interest Accrued . . .	52,640.53	Mortgage Loan Reserve Bond Reserve . . . .	20,000.00
On Bonds, Mortgages and other secured loans.		Real Estate Reserve . .	100,000.00
Cash in Banks and Office . . . . .	294,559.24	Unassigned Surplus . .	223,595.30
		Capital Stock . . . . .	100,000.00
	\$15,619,098.65		\$15,619,098.65

Insurance in Force \$46,994,221

## POSTAL NATIONAL LIFE INSURANCE COMPANY

NEW YORK, N. Y.

### 11TH ANNUAL FINANCIAL STATEMENT

December 31, 1939

ASSETS		LIABILITIES	
Bonds . . . . .	\$600,923.42	Policy Reserves (required by law) . . . . .	\$554,470.00
Government, State, Muni- cipal, Railroad and other pub- lic securities in the United States.		Fund guaranteeing the pol- icy benefits payable on death claims, endowment maturities and annuities.	
Loans on Bond and Mortgage . . . . .	22,400.00	Policy Reserves Covering Disability . . . . .	7,346.00
Consisting of First Liens on Real Estate.		Policy Claims in course of payment . . . . .	5,870.00
Policy Loans . . . . .	101,126.69	Supplementary Contracts .	19,512.00
Premiums Due and De- ferred (Net) . . . . .	80,975.00	Amounts set aside to pay policy proceeds under in- stallment contracts over a period of years.	
Payments in the mails and premiums unpaid during the 30-days grace period, also balance of installment pre- miums.		Premiums and Interest Paid in Advance . . . .	13,254.14
Cash in Bank and Office .	38,063.17	Miscellaneous Liabilities .	13,763.85
Interest Accrued . . . .	6,404.19	Unassigned Surplus . . . . .	\$ 85,843.48
On Bonds, Mortgages and other secured loans.		Capital Stock . . . . .	150,000.00
Miscellaneous Assets . .	167.00	Total Surplus Assets . .	235,843.48
	\$850,059.47		\$850,059.47

Insurance in Force \$10,085,658

Both companies under same management.

A. B. JORDAN, President

M. J. Denda, George Kolodny, J. B. Wyckoff, Arthur Geiringer, M.D.,  
Vice-Pres. Sec'y & Act'y Treas. Med. Dir.

## Outside View Is Presented

A. H. Morrill, President of Kroger Grocery & Baking Co. Talks Before Cincinnati Life Men

A. H. Morrill, president of the Kroger Grocery & Baking Co., who spoke before the tri-states sales congress held under the auspices of the Cincinnati Life Underwriters Association, said that in the minds of everyone in this country, and perhaps in the world, there is a question as to what is ahead socially, economically and politically. Anyone can speculate on the developments. Mr. Morrill said he does know that there is a war in the world, if not a world war, which will last a year and mayhap six. He knows that 1940 is an election year, that Congress, less disturbing to business than in the past year, still bothers business aplenty; that national income is arising, bigger dividend checks are being distributed, retail business in 1939 topped 1938 by over \$1,000,000,000. He said that the cessation of business baiting in Washington for the last 12 months has been one of the most potent causes of restored confidence and business improvement. Probably, he declared, there will be no new taxes in 1940; that foreign and domestic war purchases will increase the total business this year and perhaps during the duration of the war \$1,500,000,000 annually, and that there is sufficient momentum in the business gain of the last eight months to carry the upswing during the last part of 1940.

Mr. Morrill in his potent address said that bank deposits are huge and have been increasing. The speaker found that in this country there is a greater field for increasing the sales and consumption of anything that concerns have to dispose of than exists anywhere else in the world. The problem today, he said, is not so much one of producing, be it a machine, food product or insurance, as it is one of selling.

### Comparison Is Made

Comparing the things which affect both insurance and mercantile business and the technique which makes either successful or unsuccessful, they are much the same, he thinks. In both there is a product to dispose of. In both there is a consuming public to be sought out, discovered and sold. Both are fundamentally not confronted with over-production but lag in consumption. Consumption follows a desire to consume. Extensive and promiscuous buying some years ago carried the consumer beyond his financial ability, he said. The day of reckoning came. "What we should all be concerned with today," said Mr. Morrill, "are sound and lasting methods and means for creating in customers, present and prospective, the desire to buy."

Since the late 1920's, Mr. Morrill discovered, there has been developing the era of salesmanship. The problem is how to bring, that is, sell to the people who want them the machines, clothing, food, the security which life insurance furnishes and many other things which the hand and brain of man has produced. Mr. Morrill said that during the rest of the lives of people now engaged in business, salesmanship will be an absolute necessity in any enterprise or profession that has something to sell. But, he added, this salesmanship cannot be of the same pattern and the same mold as the salesmanship of a generation ago. It must be backed with new thoughts, new inventions, new ideas, new methods, and new personnel.

### Need for Modern Salesmanship

Never, in this century, he said, was the need of modern, up to date salesmanship so great as it is today. Mr. Morrill asked how salesmanship can be improved. He said the answer is easy but the way to improvement is not easy. He said that very often people produce something which they intend to try to sell without having put themselves in

the customer's place and at least try to determine whether what they have to sell suits the customer's needs. This country is in an era, he said, when salesmanship is of equal importance, and probably of more importance, than any other activity. Salesmen discover new frontiers, plan ways of penetrating them and reaching the undiscovered countries which are still filled with new customers, new desires and new prospects. Neither loud talking nor honeyed words will do it, he said. What is needed to improve salesmanship is brain work, collection of facts, proper analysis, sales tests by which the foundation can be laid for increasing sales. Pounding the desk will not help, he continued. High pressure and fancy sales conventions are nothing more than a shot in the arm, he said.

### Factors in Improved Salesmanship

Always in planning for improved salesmanship there must be:

1. The preliminary work. This includes the creation of new forms or improvements of the thing you wish to sell. In the preliminary work there must be some test, actual or fancied, as to whether the new form or thought will work.
2. There must be a product, or it may be an insurance program, sound, useful and fairly worth what the buyer is asked to pay.
3. The prospect must be discovered, analyzed and located.
4. The article, be it a machine tool, an automobile, a five cent box of food, or an insurance policy, must be planned and designed conveniently and attractively.
5. Methods of servicing, that is, bringing the article or policy to the consumer or holder, and keeping him satisfied after the sale is made, must be studied and simplified, whether the prospect or customer is rich or poor, old or young, man or woman.

### Gearing of Advertising

6. Advertising, whether it be the usual media used by a mercantile activity or the much more delicate and personal method used by the underwriter, must be carefully geared to the character of that which one has to sell, and of the individual to whom it is sought to make the sale. Millions of people want things today which you and I have to sell. They are busy with their affairs, they have not the time to ferret out the information that you and I have what they want. Their time is saved, their desires satisfied and our product is sold by means of advertising, blatant, attention-arresting in our case, subtle and personal in your case; providing always that we know at least in a general way where our undiscovered customers or prospects are, and we have the brains and ingenuity to devise advertising that reaches them.

### Bars Match Distribution

BOSTON—Commissioner Harrington has notified the Universal Match Company that it must cease distributing in this state a paper match card which carries an application for insurance in the American Life & Accident of St. Louis, not licensed in Massachusetts.

### Western Mutual's New Office

FARGO, N. D.—The Western Mutual Life has acquired the former Fargo college library building which it will rebuild and renovate for home office purposes, work being started on the building about June 1. It occupies a tract 245 by 145 feet on Seventh street, south, and Eighth avenue, south.



# ATLANTA • INSURANCE HEADQUARTERS



*TRADITIONAL* of The "Gone with the Wind" City — Ours is a sincere welcome. All of those in attendance at the Mid-Year meeting of the N. A. L. U. are cordially invited to call upon us for every need to make your visit a most pleasant experience.

## NATIONAL ASSOCIATION LIFE UNDERWRITERS GREETINGS from MANAGERS and GENERAL AGENTS ASSOCIATION of ATLANTA

Frank M. Akers, Jr., Manager, Prudential Insurance Company.  
Luther E. Allen, General Agent, Northwestern Mutual Life.  
Dwight M. Beeson, State Manager, Liberty National Life.  
George W. Butler, Supt., Prudential Insurance Company.  
Carson & Dobbins, General Agents, Aetna Life Insurance Co.  
R. L. Cooney, Inspector of Agencies, New York Life.  
Hurd J. Crain, General Agent, Penn Mutual Life Ins. Co.  
Charles J. Currie, Manager, Mutual Life of New York.  
Thomas H. Daniel, General Agent, Union Central Life.  
Harry I. Davis, General Agent, Massachusetts Mutual.  
R. L. Foreman & Son, General Agents, Mutual Benefit Life.  
Richard P. Fraser, Manager, Reliance Life Ins. Co.  
Holcombe T. Green, Manager, Guardian Life Ins. Co.  
R. J. Guinn, General Agent, New England Mutual Life.  
Howard M. Hagen, Manager, Sun Life of Canada.  
W. Stanton Hale, Manager, Fidelity Mutual Life.  
Harry W. Indell, District Manager, Metropolitan Life.

Emory L. Jenks, General Agent, Pacific Mutual Life.  
Henry C. Johnson, General Agent, Equitable Life of N. Y.  
Roy LeCraw, General Agent, State Life of Indiana.  
Neill E. McKay, Manager, Travelers Insurance Co.  
N. Baxter Maddox, General Agent, Connecticut Mutual.  
S. Margulies, District Manager, Metropolitan Life.  
J. J. McConneghey, District Manager, Metropolitan Life.  
Alfred C. Newell, General Agent, Columbian National Life.  
Henry M. Powell, General Agent, State Mutual Life, Mass.  
Walter Powell, General Agent, John Hancock Mutual Life.  
R. S. Minier, Manager, New York Life Insurance Co.  
L. T. Bates, Manager, Volunteer State Life Ins. Co.  
E. S. Reeves, Manager, Jefferson Standard Life Ins. Co.  
Willis J. Milner, Jr., Manager, Life Ins. Co. of Virginia.  
S. Russell Bridges, Jr., General Agent, Provident Mutual.  
John A. Nixon, Manager, H. O. Agency, Southern Life of Georgia.

### IT'S AN OLD SOUTHERN CUSTOM—

... To say "Come in the house and sit a while." In a modern, progressive city like Atlanta, or in the evening quiet of an old Georgia plantation, these words carry the hearty significance of Southern hospitality.

THE SOUTHERN LIFE welcomes to its home office city the members and guests of the NALU on the occasion of the mid-year meeting in April, 1940.

Our Home Offices are located at 32 Peachtree Street, at famous "Five Points" in downtown Atlanta—our meeting headquarters at the Biltmore Hotel—and we say in the good old SOUTHERN way "Come in and sit a while."

### SOUTHERN LIFE INSURANCE COMPANY OF GEORGIA

HOME OFFICE: ATLANTA, GEORGIA

Wiley L. Moore, Chairman, Board of Directors

Georgia's only exclusively ordinary company.

Dan Y. Sage, M. D., President

### GREETINGS from STATE MUTUAL INSURANCE COMPANY

to mid-year meeting of N. A. L. U. in Atlanta  
April 5 and 6, 1940

Home Office:

Rome, Ga.

### Industrial Life & Health INSURANCE COMPANY

EXTENDS A HEARTY  
WELCOME

to mid-year meeting of N. A. L. U. in Atlanta  
April 5 and 6, 1940

Home Office:

Atlanta, Ga.

573 W. Peachtree St., N. W.

## Traylor Heads National C. L. U. Chapter Nominators

BOSTON—Fitzhugh Traylor, agency manager Equitable Society here, is chairman of the nominating committee appointed by President Earle W. Brailey of the National C. L. U. chapter to select a slate of officers and directors of the national chapter. Others members of the nominating committee are Stuart R. Strong, State Mutual Life, Portland, Ore., and E. T. Proctor, Northwestern Mutual Life, Nashville, Tenn.

The board of directors will be enlarged this year from 10 to 15 and directors in the future will serve three-year terms. Directors this year will be elected for terms of one, two and three years, to provide for the election of five directors annually hereafter.

Members of the national chapter are invited to send their suggestions for nominations to the committee as soon as possible. They should be addressed to Fitzhugh Traylor, chairman, 100 Milk street, Boston, and should be accompanied by a biographical sketch of the suggested nominee and an outline of his life insurance career.

## Viehmenn and Emery Named

Commissioner Viehmenn of Indiana has been appointed to serve on the following committees of the National Association of Insurance Commissioners: Examinations, taxation, fire and marine, real estate appraisals and appraisal forms.

Commissioner Emery of Michigan has been named chairman of the real estate appraisals and the real estate forms committee, succeeding former Commissioner Earle of Oregon.

Commissioner McCormack of Tennessee spoke at a dinner meeting of the West Tennessee Funeral Directors Association on laws governing burial associations.

## TNEC Proceedings Can Now Be Purchased

The Bureau of National Affairs, 2201 M street, N.W., Washington, D. C., of which David Lawrence is president, made a verbatim record of the proceedings of the Temporary National Economic Committee since it began its investigations Dec. 1, 1938. The volumes contain not only the full stenographic transcript but also all exhibits ordered printed in the record. Insurance was the subject of these hearings during January, June, August, September, October and December, 1939, and February, 1940. Volumes 2, 4, 5, and 9 and 10 contain the testimony at the insurance hearings, and Volumes 11 and 12 contain the testimony given at insurance private placement hearings. The price of the books is \$5 each, with charge of \$32 for the entire set of seven volumes.

## Gain in Virginia

The Virginia insurance department reports life insurance in force as of Dec. 31, 1939, in the state totaled \$1,576,528,023, an increase of \$60,000,000 and an all-time high. Life insurance written totaled \$308,306,137 and terminations totaled \$248,310,657.

## Great Northern Meetings

The Great Northern Life will hold a series of regional agency meetings in Wisconsin on April 1, 3 and 5, at Milwaukee, Green Bay and Wausau. The general agents at these three points in order are C. C. Raisbeck, F. X. Basche and E. G. Leist. E. P. Oertel, assistant vice-president, will conduct the meetings.

## Decimal Point Misplaced

In reporting the talk of Frank L. McFarlane at the recent sales congress in Columbus, O., a decimal point was misplaced in one of the figures that was

## Prepare for Atlanta Meeting



N. BAXTER MADDOX

Two of those who are taking a prominent part in making arrangements for the mid-year meeting of the National Association of Life Underwriters in Atlanta are N. Baxter Maddox, Connecticut Mutual Life, and Henry M. Powell, State



HENRY M. POWELL

Mutual Life. Mr. Maddox is general chairman of the meeting and president of the Georgia Life Underwriters Association. Mr. Powell is publicity chairman for the National association meeting.

quoted. He made a statement to the effect that 5.9 percent of the agents comprising the Aetna Life's Leaders Club produced 41 percent of the business obtained by its full time agency force. Instead of 5.9 percent the figure 59 percent was used.

The Farmers & Bankers Life expects to open its radio station KFBI, which is

being moved from Abilene, Kan., to Wichita, April 15. It is affiliated with the Mutual network.

George W. Johnson, district manager Metropolitan Life, Chattanooga, Tenn., spoke over radio station WDOD under the auspices of the Chattanooga Health Council on "Health From a Business Standpoint."

**HOW NATIONAL ADVERTISING WORKS FOR JOHN LINCOLN!**

SO THE COMPANY HAS TWO NEW NATIONAL ADS THIS MONTH... I'LL USE THEM!!!

WITH PERSONAL PLANS

YOU SEE, MR. PROSPECT, THIS PLAN IS FEATURED IN OUR NATIONAL ADS. I'LL PUT DETAILS OF IT FOR YOU ON THE BACKS OF THESE REPRINTS

WITH PROSPECTS

SAY, JOHN! THAT'S A STRIKING AD YOU FOLKS HAD IN THE "POST" THIS WEEK!

THANKS!

WITH THE GENERAL PUBLIC

THIS NATIONAL ADVERTISING PROVIDES A FINE DIRECT MAIL THEME - I'M USING THE COMPANY PLAN!!!

IN DIRECT MAIL

SAY - HERE'S A REAL DIVIDEND - LEADS FROM NATIONAL ADVERTISING!

WITH DIRECT LEADS

NATIONAL ADVERTISING IS ONE OF MY VALUABLE SALES TOOLS!

**THE LINCOLN NATIONAL LIFE INSURANCE COMPANY**  
FORT WAYNE INDIANA





*A friendly group  
to join for steady  
progress*



**The OHIO NATIONAL  
LIFE INSURANCE COMPANY**

**CINCINNATI, OHIO**

*T. W. Appleby, President*

## Zacher Sees Clear Skies Ahead

HARTFORD—In opening a conference of branch managers of the life department at the home office of Travelers Tuesday, President L. Edmund Zacher said that the business skies look clearer now than they had for 10 years and that there is more opportunity to make progress. Vice-president H. H. Armstrong, in charge of the meeting, called attention to the fact that the last session held at the home office had been seven lean years ago and that they should be followed by the proverbial seven fat years.

Eighty-one branches throughout the United States and Canada were represented by managers or assistant managers and many are participating in the program. Panel discussions are being interspersed between the talks on the forms of insurance for which the managers are responsible and on the subject of developing agents.

The conference closed with the only social event on the program, a dinner given by the president Thursday evening.

Frank M. See, St. Louis general agent New England Mutual Life, has been

elected to the board of governors of the Missouri Athletic Club.

## "On to Philadelphia" Drive Is Mapped by Rutherford

DES MOINES.—James Rutherford, Penn Mutual, Des Moines, chairman of the "On to Philadelphia" committee of the National Association of Life Underwriters, has called a meeting of his committee at the mid-year meeting at Atlanta April 5 to complete details of the final drive for the September convention.

Tentative plans call for assigning each of the 10 committee members a definite territory over which they will supervise the "On to Philadelphia" activities.

Mr. Rutherford has issued a bulletin to each local association to appoint an "On to Philadelphia" committee.

He believes that a combined world's fair and convention trip will attract many of the delegates and pointed out that the testimonial for Dr. S. S. Huebner will be another drawing card.

Harry L. Reed, one of the organizers of the Nebraska Life Underwriters Association and its secretary for three years, has filed as a Republican candidate for lieutenant governor.

## Program for 'Ad' Men's Meet in Cincinnati Is Completed

CINCINNATI—Plans for the North-Central Round Table conference of the Life Advertisers Association to be held at the Netherland Plaza Hotel, Cincinnati, May 8-9 are nearing completion. The theme of the meeting is "Getting Salesmen to Use the Material We Produce."

Among the speakers who have already accepted the invitation to appear are: Karl Ljung, Jr., president Life Advertisers Association and superintendent of agents Jefferson Standard Life; Ralph H. Jones, president of the R. H. Jones Company, Cincinnati and New York; Seneca Gamble, agency assistant Massachusetts Mutual Life; J. R. Morris, editor B. M. A. Bulletin, Business Men's Assurance; Fred Fisher, advertising manager Lincoln National Life; Floyd Forker, manager field service department Pacific Mutual Life; G. H. Harper, assistant superintendent of agents, Bankers Life of Iowa; G. S. Severance, agent Ohio National Life, and Paul Speicher, managing editor Research & Review Service.

The Wednesday afternoon session will open with a joint luncheon of the Cincinnati Advertisers Club and will be held at the roof garden of Hotel Gibson. A speaker of national importance is being obtained. The balance of the afternoon will bring before the group speakers who will discuss topics of national interest and modern production technique.

Beverly Hills night club will be host to L. A. A. members at a banquet Wednesday evening.

The morning session will be devoted to the subject of "Methods of Merchandising Sales Aids to the Field Force," with four home office sales promotion executives describing the various methods of promoting sales aids.

The afternoon session will be devoted to a discussion of "How Sales Aids Are Used in the Field," described by field men who successfully employ sales aids in their daily work.

The day and a half program will feature practical, workable methods of preparing and using sales promotion aids in life insurance selling.

## Lower Court Upholds Tax Measure in Michigan

GRAND RAPIDS—Michigan's intangible tax act was held constitutional in a test case here involving a tax on a corporation bond by Circuit Court Judge Hoffius.

It was announced that the case will be appealed to the supreme court and Judge Hoffius agreed to expedite the appeal since assessing officers throughout the state are awaiting the outcome.

The act is broader than the specific tax act which preceded it and includes a levy on annuity proceeds but by ruling of the tax commission excludes taxing equities in life insurance policies.

## NLRB John Hancock Hearing

BOSTON.—A session of the National Labor Relations Board was held in Boston on petitions of the C. I. O. and A. F. of L., seeking to compel the John Hancock Mutual Life to recognize one or the other of the union organizations as bargaining agency for employees. The A. F. of L. claimed to have 37 agents in St. Louis enrolled and the C. I. O. claimed 32 members from the Hoboken, N. J., agency. Representatives of the John Hancock opposed the petitions and the authority of the board on the ground the company was not in interstate commerce under jurisdiction of the NLRB.

## Wood Speaks in Springfield, Mass.

SPRINGFIELD, MASS.—J. Harry Wood, manager of ordinary agencies John Hancock Mutual Life, will speak here April 1 on "Making More Money in 1940."

## Uses His Own Plane to Visit Head Office



HARTFORD — A sleek two-place Aeronca cabin monoplane dived out of the sky from the north and after a perfect three-point landing, idled up to the "parking space" at Brainard Field in Hartford. Out of this ship stepped K. S. Austin, believed to be one of the first if not the first life insurance representative to fly his own plane to a Hartford home office to transact company business.

Mr. Austin represents the Connecticut Mutual at Burlington, Vt., where he is the organizer and president of the Champlain Flying Club. He has 18 flying hours to his credit, and in the future he plans to make extensive use of his plane in his business.

## Hartford Colleges Will Have a New Home

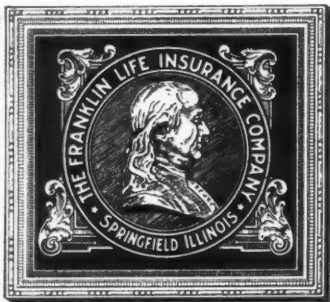
HARTFORD—An option has been taken for the Hartford Colleges of Law & Insurance on the Jacobus Estate at 39 Woodland street by Berkeley Cox, H. S. Don Carlos and Farwell Knapp, trustees for the colleges. According to present plans the option probably will be exercised within two months, after which the property will be renovated in preparation for occupancy next fall when the colleges will vacate present quarters at 44 Niles street.

To carry out this program a fund of approximately \$50,000 will be required, it was said, and Mr. Cox, Mr. Don Carlos and Mr. Knapp have been named as trustees to receive contributions and to direct a campaign for funds.

## Fifteen Chicagoans to Atlanta

C. J. Zimmerman, general agent Connecticut Mutual Life, Chicago, and president National Association of Life Underwriters, will lead a contingent of some 15 Chicago life agents to the mid-year meeting of the National Association of Life Underwriters at Atlanta, Ga., April 5-6. Harry T. Wright, Equitable Society, Chicago, is national vice-president. Among those who have made reservations are L. M. Buckley, Provident Mutual, president Chicago Association of Life Underwriters; W. M. Houze, John Hancock, Chicago association vice-president; W. V. Woody and P. B. Hobbs, agency managers Equitable Society; C. B. Stumes, Stumes & Loeb agency Penn Mutual; J. H. Brennan, Fidelity Mutual Life, treasurer Chicago association, and A. E. McKeough, Ohio National Life, vice-president Illinois association and past president Chicago association.

White & Sutherland have been appointed district agents of the John Hancock Mutual Life in the Rio Grande valley, with offices at Brownsville, Tex.



## Agents Like To Work For Franklin

One hundred and twenty-five satisfied old-timers, with the Company from 5 to 42 years, have rolled up a total of 1700 man-years with the Company.

One of our successful agencies is headed by a man who has been with the Company 29 years. He brought in one son six years ago, a second son last year. If a man can be with a company that long and still think well enough of it to want his son to follow in his footsteps, that company MUST be truly and consistently good.

*Fifty-six Years of Distinguished Service*

*Over \$177,500,000.00 Insurance in Force*

**THE FRANKLIN**  
**LIFE INSURANCE COMPANY**  
SPRINGFIELD, ILLINOIS

CHAS. E. BECKER, President



## Latest Developments in Bailey Tax Case

E. Paul Huttinger, agency secretary at the head office of the Penn Mutual Life, has contributed another article on the famous Bailey case. He is an authority on the subject and his observations are as follows:

"The Bailey case is back sooner than expected. And as Macbeth expressed it out of his disordered mind, 'Confusion now hath made his masterpiece.' Originally the United States court of claims decided in favor of the government that insurance proceeds irrevocably assigned were subject to estate tax when some of the premiums had been paid by the insured. Few people could follow the reasoning of the court. Upon reinvestigation it was found that all premiums falling due after the assignment were paid by the assignee or beneficiary, and then the court rewrote its opinion in favor of the taxpayer. This was an encouraging result, but the court in its reasoning again seemed to suffer from a slight astigmatism.

### Case in U. S. Supreme Court

"In the meantime a very important case was being tried in the United States Supreme Court, now known as *Helvering vs. Hallock*. This did not involve life insurance at all, but a series of irrevocable trusts. The trusts contained what is called a reversion; that is to say, if the beneficiary does not live, the principal reverts to the settlor or creator of the trust.

"Some years ago the Supreme Court, in *Helvering vs. St. Louis Union Trust Company*, 296 U. S. 39, and *Becker vs. St. Louis Union Trust Company*, 296 U. S. 48, had decided that transfers in trust, if they were irrevocable and not made in contemplation of death, would be exempt from federal estate tax, even though it was established that the property reverted to the settlor upon the contingency of the beneficiary dying before him. In this last decision of *Helvering vs. Hallock*, the United States Supreme Court has reversed its position on that question. The law now is that the possibility of a reversion in a trust is evidence that the settlor has failed to give away a complete title to his property.

### Minority Opinion Given

"Justice Roberts made an eloquent appeal for consistency in a minority opinion with which Justice McReynolds joined. He called attention to the numerous cases that had been decided on the basis of the *St. Louis Union Trust* principle, and that to upset this precedent 'must necessarily shake the confidence of the bar and the public in the stability of the rulings of the courts and make it impossible for inferior tribunals to adjudicate controversies in reliance on the decisions of this court. To nullify more than 50 decisions, five of them by this (U. S. Supreme) Court, some of which have stood for a decade, in order to change a mere rule of statutory construction, seems to me an altogether unwise and unjustified exertion of power.' But a minority opinion does not decide the case no matter how clear the logic.

"Where *Helvering vs. Hallock* affects the Bailey case is in this respect: The court of claims made another re-examination of the evidence and has ascertained the assignment provided that if the assignee or beneficiary did not survive the insured, the policies were to revert to him. Of course, the beneficiary actually did survive the insured, otherwise this suit would not have been instituted, but that provision in the instrument of transfer gave the beneficiary something less than absolute title to the insurance.

"Therefore the court of claims is now back where it started. The Bailey insurance proceeds are now taxable, but for a new reason. And, most remarkable, the court now holds that the fact the beneficiary paid a portion of the premiums, which influenced it so much in

the first instance, is now of no importance, all of the proceeds being subject to tax! All progress comes through change, but that does not mean that all changes mean progress."

### Zone 5 Commissioners Confer

LINCOLN, NEB. — Commissioners Harrison of Arkansas, Kavanaugh of Colorado, Hobbs of Kansas, Apodaca of New Mexico, Read of Oklahoma, Woodward of Texas and McDonald of Wyoming met with Insurance Director Smrha to take up the matter of company examinations in Zone 5. Matters of administration were discussed in an effort to secure greater uniformity of examinations.

### California Exams in April

SAN FRANCISCO—More than 2,700 agents, brokers and solicitors have been notified to attend license examinations of the California insurance division commencing April 8 in Los Angeles. Examinations will be held in other cities on

April 10 and in San Francisco about that time. At least 50 percent of the number to be examined are life and accident and health agents. The present group are operating under licenses issued last fall.

### W. N. Hiller Is Properly Placed

W. N. Hiller, one of the leading producers of Penn Mutual, who is connected with the Stumes & Loeb agency in Chicago, was incorrectly identified as being connected with Connecticut Mutual in the special edition that was sent to members of the Chicago Association of Life Underwriters covering the Chicago sales congress.

### O'Brien Assumes Duties

SPRINGFIELD, ILL. — F. J. O'Brien, formerly director of sales promotion for the Fidelity Investment Association in Wheeling, W. Va., who has assumed similar duties with the Franklin Life of this city, has arrived to assume his position.

During his year with the Fidelity Mr. O'Brien built an enviable reputation as an energetic and resourceful advertising and promotion manager, and a number of his projects, particularly the company house organ, won commendation from national authorities. Mr. O'Brien is a graduate of New York University,

where he specialized in advertising and marketing.

### Hold N. Y. Examinations April 4

Examinations for life and accident and health agents, required under the New York law of men not previously licensed, will be held April 4 in New York City, Buffalo, Rochester, Syracuse and Albany. Tests for life agents will be at 9:30 a. m. and for accident and health agents at 2 p. m. Each will last three hours. Those having applications approved and on file at Albany will be officially notified of the time and place of the examinations.

For those preparing to pass this examination the New York State Association of Life Underwriters has sponsored a special book entitled "Life Agents Qualification Hand Book," along with a supplement which is issued for use with the book itself. The book may be ordered from the Life Underwriters Association headquarters in Albany, Buffalo and New York City. The price is \$1.50, including the supplement. The book is published by the Rough Notes Company.

### Prudential Joins Life Institute

The Prudential has become a member of the Institute of Life Insurance.

As a buyer of life insurance, you should know that the compensation of the N<sup>W</sup>NL agent is based on entirely new principles, under which his earnings depend primarily not on the amount of new insurance he sells you, but on the quality of the service he gives you at the time of the sale and thereafter.

( This is a reproduction of N<sup>W</sup>NL's current national magazine advertisement )

**NORTHWESTERN NATIONAL LIFE**  
**INSURANCE COMPANY**



O. J. ARNOLD, PRESIDENT

• MINNEAPOLIS, MINNESOTA

## Drama of Life Insurance Real Stimulant to Agents

(CONTINUED FROM PAGE 3)

fortunate," said Mr. Robbins. "I could not prevail upon him to pay just one more premium on his larger policy and he died following an operation six months later. That one more premium of \$150 would have given that family an additional \$9,000. Fortunately, they did receive \$4,000 insurance benefits which he had kept up and that was enough to pay off the mortgage on their home and give them enough additional money to hold the family together until the children could get on an earning basis.

### Saved Company from Collapse

"Another of my business men clients, key man in his company, left \$50,000 of business insurance to the company when he died in those dark days at the bottom

of the depression. The other officers of the company told me that the \$50,000 represented much more than the dollar value to them in their crisis. It stabilized the firm sufficiently so that it was saved from imminent collapse, saving the equities of the stockholders, the family and the employees. The family was independently protected by another life insurance policy but that business policy also benefited them by turning their stock in the company from a questionable asset into a worth while investment and it saved the jobs of every one of the employees of the firm."

In another case, even though there was ample insurance, the client's refusal to heed Mr. Robbins' warning to put the insurance on an income basis resulted in tragedy for the family. This was another case of a wealthy man who regarded his insurance merely as a minor adjunct to his estate. When the insured died in 1935 his other wealth had disappeared and the insurance that remained after paying off a large bank

loan he had undertaken was only enough to pay off the mortgage on a home that was far too expensive for the family in its new status.

They chose to pay off the mortgage, however, and are today faced with the possible loss of the home and are without any other source of income. Had the client arranged an income plan, as Mr. Robbins strenuously and repeatedly urged him to, the family would have had an income of at least \$5,000 a year guaranteed for life.

## Industrial Endowment Bill Passed by N. Y. Legislature

ALBANY, N. Y.—The Piper industrial insurance endowment bill to permit industrial companies to write endowments on children has passed both legislative houses and is on the governor's desk for signature. So far as known the governor will sign the bill.

Also awaiting action by the governor is a bill to eliminate the word "reasonably" in the standard policy provisions regarding insurability evidence satisfactory to the company in reinstatements. Companies have contended the word means nothing and since other states do not require it, it brings on complications in getting policy forms approved. Another liberalization which has passed the assembly permits use of war clause restrictions which would have been barred under the law as it stands.

The New York legislature's bill which would have placed a limit on the time that life companies would be permitted to hold proceeds without paying out the principal appears to be doomed because legislators have become convinced that in its present form the measure contains too many possibilities of being misunderstood. While the measure's apparent intent would be no stricter than the attitude which many companies already take voluntarily, the difficulty of drafting legislation which will produce the desired result without introducing unintended curbs is one of the main reasons why the companies have preferred to regulate the option question without resort to legislation.

Governor Lehman of New York has signed a measure providing that the certificate holder under a group policy shall be notified in time to exercise the privilege of converting to another type of insurance, if the group policy provides for such conversion. In the event that such notification is not given, the time allowed for conversion shall be extended 15 days under the new law.

### Mathews Resigns SEC Post

G. C. Mathews has resigned as Securities & Exchange Commissioner. He is regarded as a conservative member of the SEC and his going opens the way for a commissioner of more radical tendencies. He is an uncle of Gerhard Gesell, SEC counsel for the insurance investigation.

W. H. Delaney has been appointed special home office representative of the Provident Life & Accident.

## Wightman Assistant to President of Mutual Life, N. Y.

NEW YORK—Earl C. Wightman, formerly a member of the Securities & Exchange Commission's insurance study, is now with the Mutual Life of New York, serving as assistant to the new



EARL C. WIGHTMAN

president, L. W. Douglas. Before joining the SEC, Mr. Wightman was comptroller of the Lincoln National Life. He has a wide reputation for his knowledge of the intricacies of life company management work.

Mr. Wightman is a native of Cleveland and graduated from the University of Michigan in 1912. He joined the Lincoln National Life in 1930, ultimately becoming vice-president and comptroller. Prior to his connection with that company he was associated with the Michigan State Life as actuary. Later he became actuary of the Detroit Life and then the American National Life, serving until 1919, when he went with the Lincoln National. He is the author of the textbook, "Life Insurance Accounts," published by the Life Management Office Association.

### Prudential's Convention April 15-17

The Prudential will hold its annual business conference April 15-17. It will open in Newark, after which sessions will be held in Newark and New York City, culminating with the annual banquet the final evening at the Hotel Commodore, New York City.

### L. G. Simon Slated in Dallas

Leon Gilbert Simon of New York, writer on business insurance topics, whose new volume, "Corporation and Partnership Insurance," was recently published, will give a two-day course on business insurance for the members of the Top Club of Southwestern Life at Dallas, April 3-4.

### Reliance Cashiers Promoted

C. A. Ernst, cashier for Reliance Life at Minneapolis, has been made assistant manager. J. P. Troop is head of the department. He started as assistant cashier in the Minneapolis office and in 1934 was made cashier. L. L. Rogers, cashier at St. Louis, is transferred to Minneapolis in a similar capacity. D. B. McWhirter, cashier at San Antonio, is transferred to St. Louis. Mrs. Grace McNeese, formerly cashier at San Antonio, and until recently employed in the home office, is returning to San Antonio as cashier. R. A. Johnson, cashier at Martinsburg, W. Va., is now going into the field for Reliance, and L. T. Hunkler, assistant cashier at Charleston, W. Va., will go to Martinsburg as cashier.

## Connecticut General Life Insurance Company Hartford, Conn.

During 1939 more than 73,000 persons secured life insurance and annuities from the Connecticut General. This new insurance totaled \$139,923,621 and brought total insurance in force to \$1,155,417,469.

Payments to life policyholders, beneficiaries and annuitants exceeded 21 million dollars. A large number of the contracts maturing were payable under settlement options providing income, a plan growing in popularity yearly.

The underwriting experience of the Company for the year was favorable. From underwriting gains, contingency funds and surplus were further strengthened. Assets of the Company in all classifications, particularly real estate, have been reduced to a very conservative valuation. The total of contingency funds, surplus and capital stock amounted at the end of the year to \$14,428,687, a very comfortable margin of security for the policyholders. Assets increased to \$265,319,404.

Aggressive investment policies reduced bank balances to the lowest figure in several years. The largest volume of investments was made in bonds which now represent 54% of total assets.

All group lines have been active and the Company takes pride in the fact that it is issuing low cost protection to employees against loss of life, against accidental injury and sickness, hospital expenses and old age, and also the convenient Salary Allotment plan.

The amended Social Security program in effect January 1, 1940, by emphasizing the need for life insurance, is expected to increase the demand for it. Benefits are payable only while there are dependent children or after age 65 and in any event represent only a basic layer of protection requiring amplification corresponding to individual need.

### 1939 RECORD

Assets	\$265,319,404
Policy reserves and other liabilities	250,890,717
Contingency funds, surplus and capital stock	14,428,687
Total income	54,757,358

### Premium Income 1939

Life insurance	\$ 30,394,724
Group life insurance	4,654,893
Accident insurance, including group	2,901,200
Total premium income	37,950,817
Life insurance in force including group	1,155,417,469
Payments to policyholders and beneficiaries in 1939	23,205,009
Total payments since organization	330,205,789

## STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gave the following stock quotations for life companies as of March 26:

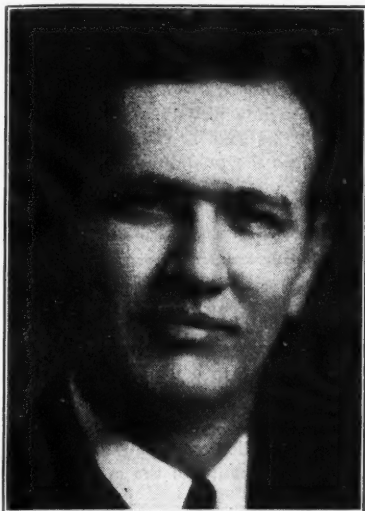
	Par	Div.*	Bid	Asked
Aetna Life	10	1.40	31	33
Central, Ill.	10	...	9	11
Cent. States Life	5	...	1 1/2	2 1/4
Colum. Natl. L.	100	...	68	72
Conn. Genl.	10	.80	26 1/2	28 1/2
Contl. Assurance	10	2.00	40 1/2	42 1/2
Federal Life	10	...	4 1/2	5 1/4
Great Southn. L.	10	1.30	21	23
Kan. City Life	100	16.00	350	400
Life & Cas.	3	.50	11 1/4	12 1/2
Lincoln Natl.	10	1.40	30	32
No. Amer. Life	2	...	12 1/2	13
N. W. Natl. Life	5	.30	12	13
Ohio Natl. Life	10	1.25	26 1/2	28 1/2
Old Line Life	10	.60	10	12
Sun Life, Can.	100	15.00	235	310
Travelers	100	16.00	460	480
Union Cent. Life	20	1.20	20	25
Wis. National	10	1.00	16 1/2	18



## Hodges Not in Race for Vice-president

(CONTINUED FROM PAGE 1)

bers wish, Mr. Hodges may be a candidate to succeed himself as secretary. When asked who the candidate for vice-president most likely would be, he replied, "Of course, I am in no position



JOHN A. WITHERSPOON

to say, but in my opinion, John Witherspoon, general agent of John Hancock Mutual at Nashville, would be the most logical candidate. As to length of service, John is the oldest member on our board of trustees, has the ability, and was candidate for vice-president last year. What the intentions of his friends might be must be answered by them. I suspect, however, some form of an announcement will be made by them within the very near future."

## Contest This Year in U. S. Chamber Directorate

(CONTINUED FROM PAGE 1)

American Mutual Alliance have always insisted on having one of the directorships. When insurance directors were established by the U. S. Chamber there was quite a hostile array between the stock and mutual companies, resulting finally in a truce being declared on part of the National Board of Fire Underwriters and the mutuals whereby it was agreed that there should be one mutual executive elected as a director every other year and one stock company man every other year.

This balance was maintained until the life companies crashed the gate and the late C. W. Gold, who was president of Pilot Life, was elected succeeding the late P. W. A. Fitzsimmons, who was president of Michigan Mutual Liability. This was resented very much by the mutuals and at the expiration of Mr. Gold's term, the late Justin Peters of Philadelphia was put up, a vigorous campaign was carried on and he was elected. When he declined reelection, Mr. Timanus was elected. The other insurance director is J. C. Harding of Chicago, resident vice-president of the Springfield Fire & Marine. The pact between the American Mutual Alliance group and the National Board of Fire Underwriters has been recognized and is still in vogue.

There are two vice-presidents of the U. S. Chamber elected by the directors who are insurance executives, they being O. J. Arnold of Minneapolis, president of the Northwestern National Life, and J. S. Kemper of Chicago, president of the Lumbermen's Mutual Casualty, and head of a large mutual group. Mr. Kemper is one of the strong factors in the U. S. Chamber and is a former insurance director.

## O'Donohue Heads Reserve Loan Life of Texas

(CONTINUED FROM PAGE 3)

faces upon the War Memorial Plaza which occupies three city blocks.

While the Indiana company still exists, it has no assets. All of the assets have been purchased by the Texas company which also assumed the indebtedness of the Indiana company. Frank H. Davis continues as president of the latter company and is looking after the routine necessary to its final dissolution. Mr. Davis could no doubt substantiate a claim for writers' cramp under his accident policy if he cared to make one as much of his time for the past week was spent in signing assignments of mortgages, bonds and other securities involved in the transfer, which detail has been completed. A Texas life company has one of two options as to handling assets—it may either deposit assets to cover reserves with the state insurance department or not, but once having chosen a course it can not then change to the other. Reserve Loan Life of Texas has chosen to come under the depository branch of the act which is much similar to the Indiana deposit law. However, the Texas requirements as to securities are somewhat more exacting than Indiana and the management of the new company has put up an additional \$210,000 with the department to offset such scaling down as was required. The attorney-general of Indiana passed favorably upon the request for permission to transfer the company's assets and securities to the Texas department.

### History of Reserve Loan

Reserve Loan Life of Indiana began business, March 2, 1897, as an assessment association and was reincorporated as a mutual legal reserve company in 1901, after Indiana had passed an act making possible organization of legal reserve companies. In 1909 the company went on a stock basis and has so continued since. At the time of transfer it had more than \$55,000,000 insurance in force and assets in excess of \$11,000,000.

Much credit is due the late insurance commissioner of Indiana, G. H. Newbauer, for the development and completion of the transfer of Reserve Loan Life to new owners who have established it, apparently, on a sound financial basis, protecting the interests of all policyholders. Mr. Newbauer greatly desired to aid in the rehabilitation of the company and personally made trips of considerable extent to find out for himself the dependability of proposals that were made, including a stay of several days in Texas on this errand. He had expressed himself not long before death terminated his tenure of office about a month ago as believing that the working out of the problems of Reserve Loan Life to a satisfactory conclusion would justify all the time he had given to the office of commissioner.

R. G. Hunter, vice-president and actuary and Dr. R. R. Simmons, medical director of the Equitable of Iowa, are expected to arrive in Los Angeles April 11 and spend a week holding agency meetings with the Russell L. Hoghe agency.

Federal Life, Chicago, reports a gain of 10 percent in written business in January and 16 percent in February, as compared with similar months a year ago. It also shows a gain in insurance in force. It is extending its agency operations. New agencies which joined the Federal Life in March are expected to produce in excess of \$3,000,000 additional business during the year.

Blair M. Fuller has been appointed district agent for Beverly Hills, West Los Angeles, and the western part of Los Angeles proper by General Agent R. L. Hoghe of the Equitable Life of Iowa. He has been with the Hoghe agency four years. He received his C.L.U. degree in 1939.

## Union Mutual Now Assumes Non-Cancellable Business

BOSTON—With the vast majority of non-cancellable policyholders of Massachusetts Accident giving approval to the proposal, Union Mutual Life of Maine, effective March 26, assumed under a management contract the non-cancellable business of Massachusetts Accident. Of the 4,700 non-cancellable policyholders, less than 6 percent registered dissent. Payments to claimants under non-cancellable policies will be made according to the contract as of Feb. 23 on a reduced basis.

### Plan for Medical Meeting

Life insurance medical directors and others interested in the problems relating to the selection of applicants for life insurance protection who attend the annual meeting of the Medical Section of the American Life Convention at the Broadmoor, Colorado Springs, Colo., June 4-6, will be presented with one of the finest programs ever arranged for a life insurance medical gathering, if the tentative plans of Dr. T. H. Dickson, program chairman, and the officers are successfully consummated.

Dr. Dickson is medical director Minnesota Mutual Life. Dr. M. B. Bender,

medical director Guardian Life, is chairman, and Dr. A. J. Robinson, medical director Connecticut General Life, vice-chairman.

### Not Subject to Inheritance Tax

MARINETTE, WIS.—Life insurance policies totaling more than \$100,000 taken out by the late Francis G. Hood, founder of the Ansul Chemical Co. here, in the spring of 1937 and assigned to three children were held not subject to the state inheritance tax by County Judge Haase. Testimony showed that the children had made the first and subsequent premium payments on the six policies. Because of this, Judge Haase ruled the policies were owned and executed by the children and the proceeds were not subject to inheritance tax. The state's contention of "gifts in contemplation of death" was not upheld on the basis of a routine health checkup and the insurance medical examination prior to Mr. Hood's sudden death from an heart attack.

### Has Sale Every Day for Year

J. B. Love of Prescott, Ariz., an agent of the F. B. Schwenker agency of the Pacific Mutual Life, wrote a policy every day of the year ending Dec. 25, 1939, including holidays.

"GUARANTEE MUTUAL MEN MUST SUCCEED"

# BUILDERS of MEN

LET'S TALK ABOUT: →

The  
"Disappointed"  
Agent

- What are his particular problems?
- How do you determine what he needs?
- What plan is best to check his work?
- Can you effectively "retrain" him?
- Have you tried a quota plan with him?



These are typical questions that are threshed out at a session of Guarantee Mutual's unique GENERAL AGENT'S CONFERENCE. It is a two-week round-table, truly "mutual" style of conference. Conclusions jointly reached materially aid General Agents to make their operations more effective and profitable.

"Forward in Forty" really means something with us.

A. B. Olson, Agency Vice-President

Ask our General Agents about the value of our GENERAL AGENT'S CONFERENCE. It is a part of the "Builders of Men" agency plan.

**GUARANTEE MUTUAL LIFE COMPANY**  
OMAHA, NEBRASKA  
ORGANIZED 1901

Our Income Continuance plan provides monthly payments for life to our agents beginning at age 65. Ask about it!

## EDITORIAL COMMENT

### Saving One Much Embarrassment

THERE are certain exasperations in the personal associations and intercourse of life that could well be obviated if some good old-fashioned common sense were used and people were more observant of the courtesies. For instance, one of the most aggravating situations is created by a caller at an office where he is not announced, who goes to one of the important key men, having the advantage, of course, of knowing the name of the person he is addressing and yet not telling his name, although he is not well known. That leaves the man called upon in a very embarrassing position and he endeavors at once to poke around and endeavor to get some clue as to the identity of his caller.

Frequently a caller undoubtedly is aware of the fact that the man called upon does not recognize him but further he heightens the embarrassment by saying, "I do not believe that you know

who I am, do you? This is rather strange because I met you at a convention two years ago." The struggle in the mind of the person called upon becomes more intense. The whole atmosphere is in a state of suspense and dilemma.

Many people are not able to remember names and places. Frequently a caller evidently believes that he should be recognized immediately. If he is not he has a sense of resentment. He begins to think that the person called upon does not have proper respect for him or is inclined to be lofty.

A good practice to follow is to mention your name immediately if you are calling on a man or meet him on the street, when there is the slightest evidence that he does not recognize you. A caller can discern immediately whether he is recognized. That would save much personal embarrassment.

### Using Social Security Act Properly

AS TIME goes on and agents become more familiar with the amended social security act and get in mind just what it offers they are in a position to make intelligent comment to their prospects and policyholders and offer counsel worth while. Those who have tried to ignore the social security act entirely in their canvass find that with the measure in operation and benefit checks going out they must become informed about its provisions if they attempt to build up a program that will meet their prospects' leads.

R. A. Hohaus, associate actuary of the Metropolitan Life, in his Chicago address made it very plain that the social security act so far as its benefits are concerned has a special function. He said also that group insurance provides a certain class of coverage that

cannot be obtained in other ways. Then the individual insurance has its particular mission. When these three kinds of coverage or benefits are thoroughly understood, they can be used to supplement each other. The social security act supplies what might be called minimum subsistence. It cannot provide what insurance does. However, it can be made to fit in with an insurance program.

Congress evidently realized that the social security act should only afford basic subsistence needs. Anything more should be supplied through the insurance medium. Inasmuch as the act now provides for a monthly benefit rather than lump sum, there is an opportunity to use this social insurance along with the regular forms to good advantage.

### Small Percentage of Claims Resisted

NORTHWESTERN MUTUAL LIFE has made it a point for many years to publish in its "Field Notes" the beginning of the year, when its annual statement has been filed, a brief statement regarding claims that it is resisting and giving the reasons for denying liability. It is a satisfaction to see how few cases there arise in life insurance to be litigated. Many more have arisen since disability and double indemnity insurance were written.

At times the public may believe that

companies are prone to resist a number of claims. Take the NORTHWESTERN MUTUAL record as an example and that will be dispelled. The annual statement lists all policy claims resisted or compromised during the previous year as well as all claims for death losses and other policy claims resisted at the close of the year. It states that 12 death claims resisted as of Dec. 31, 1938, were disposed of during 1939. In addition five other cases which arose and were resisted during the year were

disposed of before the end of the year. These 17 cases with a total amount claimed of \$122,563 were settled in 1939 for \$60,175.

The company won six suits; paid proportionately small sums to avoid further litigation under offers of compromise in four cases where policies were lapsed or surrendered prior to death; paid two cases \$44,000 in full because unable to present evidence or to establish misrepresentations alleged to have been made, and compromised the remaining five to avoid further litigation involving misrepresentation, suicide or fraud. Four resisted claims for disability waiver of premium benefits were disposed of during 1939.

The company states that a review of this kind proves that it does not resist claims for trivial reasons or on technical

grounds. Accuracy and fairness it avers are established for the simple reason that fraudulent and illegal claims must not be paid.

As of Dec. 31, 1939, the Northwestern Mutual was resisting \$109,123 in 18 cases covered by 20 policies, the causes being as follows: Lapsed, expired and surrendered policies prior to death of insured, 9; insured disappeared, 3; suicide in the contestable period, 3; alleged misrepresentation, 2; second claimant, proceeds in part already paid to two beneficiaries, 1.

Considering the number of claims paid, this showing is magnificent. Material of this kind is valuable to agents to disabuse the public mind of any misapprehension it may have as to whether companies deny many claims. The record is an excellent one.

## PERSONAL SIDE OF THE BUSINESS

**Mariano R. Pesquera**, general agent at San Juan for Bankers National Life, has been named exalted ruler of the Elks in Puerto Rico, Lodge 972.

**A. Morgan Duke**, president of the Southland Life of Dallas, and Mrs. Duke invited the Southland Life family to an Easter egg hunt on the picnic grounds of "Merry Acres," their home midway between Dallas and Fort Worth last Sunday afternoon. The children of the families were especially invited.

**S. J. Herzberg**, Milwaukee, state manager of the Prudential ordinary department, has been appointed an honorary colonel on the staff of Governor Heil of Wisconsin.

**M. J. Cleary**, president Northwestern Mutual Life, and Mrs. Cleary have returned to Milwaukee from a winter vacation at Litchfield Park, Ariz.

**H. G. Woodbury**, secretary-treasurer of the Reserve Loan Life of Indianapolis, whose home office was moved this week to Dallas, Tex., was honored just before leaving for Dallas by members of the Indianapolis chapter of the Mercator Clubs of America, of which he is national president. Milo H. Doerfler, president of the club, presented Mr. Woodbury a gift from members of the organization.

**Fred M. Dickerman**, past president of the Indianapolis and Indiana Associations of Life Underwriters, is a candidate for Republican nomination for state senator. He was a member of the senate in 1925 and 1927.

**Frank C. Hoy** of the Toronto city branch of the Canada Life has been elected a chartered life member of the Life Underwriters Association of Canada. Mr. Hoy was one of the first to receive the C.L.U. degree in 1925. For many years he has been prominently identified with the work of the association.

**L. S. McQuarrie**, Salt Lake City general agent Central States Life, with a personal production record of 589 consecutive weeks, came through on the 589th week to top all personal producers in volume. He sold six policies for \$23,500. The Central States has three

other agents with better than 500 weeks of consecutive production: Jesse E. Downs, Missouri, 582; J. W. Dooley, Oklahoma, 542, and R. T. Williamson, Oklahoma, 515.

**Graham Linkous** of the group department of Provident Life & Accident is recovering from an illness after being confined to the hospital at Bluefield, W. Va.

**H. S. Don Carlos**, manager of the claim department in the home office of the Travelers, has been elected a trustee of the Dime Savings Bank of Hartford. Mr. Don Carlos is president of the Hartford College of Insurance.

**Willard C. Addy**, with the Minneapolis agency of the Great-West Life, has been elected president of the Minneapolis chapter of the Sons of the American Revolution.

**H. L. Quigley**, one of the top salesmen of the Northern Life, Seattle, was presented a diamond service pin late in March in commemoration of his 25th anniversary with the company. Company employees also presented him a huge cake. He has been production leader in seven different years.

**Zola Jelin**, associate general agent of the Columbian National Life in Newark, has recovered from a serious mastoid operation. He will be at his desk within a few days.

**D. Ames Duggan** of the life agency of the Provident Life & Accident at Raleigh, N. C., has been elected president of the Progressive Club there.

**Harry S. Haskins, Jr.**, agency supervisor of the John Hancock Mutual Life in Des Moines, will be married April 6 to Miss Mary Elizabeth Wagner of Des Moines. He is a director of the Des Moines Association of Life Underwriters. His father is state agent of John Hancock in Iowa.

**Henry Stevens** of the Toledo agency of the Ohio State Life has just completed 300 weeks of consecutive weekly production. This was accomplished in face of the fact that much of the time Mr. Stevens was ill and confined to his home.

## THE NATIONAL UNDERWRITER



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## DEATHS

**W. E. Munroe**, 78, district agent of the Travelers group in Providence, R. I., for 43 years up to his retirement four years ago, died at his home in Bristol, R. I.

**C. J. O'Connor**, 60, of Worcester, Mass., who in 1924 led all agents of the State Mutual Life in business sold and paid for, died following three months' illness. He had been in insurance work 27 years. He was nationally known as a runner and track coach, being educated at Holy Cross and later at St. Louis University, in which latter university he won nine championships. He coached at Holy Cross, Worcester Polytechnic Institute, Worcester Academy and Trinity College.

**Gardner E. White**, 52, a director and large stockholder of the National Life & Accident, died suddenly from a heart attack in Sarasota, Fla.

**George F. Unger**, manager of the central division of Occidental Life of California, embracing six states, died at a hospital in Omaha following a heart attack, while he was on a business trip. Funeral services were held in Naperville, Ill., Monday. Mr. Unger had been with Occidental in Chicago since 1936, first as branch manager, later as general agent and since September of last year as division manager. He was born in Naperville, was educated at North Central College and coached football there four years after graduating. He was connected with the Burlington railroad as an auditor and was in the fire insurance business for a time. He went with Equitable Society in Chicago in 1920 as a unit manager and remained until 1936. When he left Equitable he was supervisor of salary savings in the Woody agency. He was 57 years of age. A brother is W. H. Unger, Minnesota state agent of Royal Insurance Company.

**Dr. Rufus E. Fort**, 68 years, vice-president and medical director and one of the organizers of the National Life & Accident, died after an illness of 10 weeks. A graduate of Vanderbilt University school of medicine, Dr. Fort was for six years chief surgeon at the Nashville General Hospital and for 16 years chief surgeon for the Tennessee Central Railway. A nationally known breeder of fine Jersey cattle, he was a director of the American Jersey Cattle Club, owning one of the finest herds in the state. He also served as president of the Tennessee state board of health.

R. E. Fort, Jr., is assistant manager ordinary department of National Life & Accident.

**J. E. Rogers**, secretary-treasurer of the Order of Railway Conductors at Cedar Rapids, died at Lakeland, Fla., at the age of 56.

**T. F. Burke**, 83, with the Boston office of the Northwestern Mutual Life for 35 years and also head of a general brokerage office in Boston, died at his home in Brockton, Mass.

### Committee for Convention of Pa. Federation Chosen

The personnel of the convention committee in charge of the observance of Pennsylvania Insurance Days of the Insurance Federation of Pennsylvania at Philadelphia, June 4-5, is announced by General Chairman A. J. Davis, who is vice-president of Provident Mutual Life.

The life insurance members of the committee include:

W. J. Bradley, advertising manager Home Life of Philadelphia; Frank D. Buser, Fidelity Mutual; W. B. Corey, secretary, Provident Industrial Life, Health & Accident; E. R. Deaver, president Progressive Quaker City Life; W. R. Harper, general agent Aetna Life; H. B. Meixel, secretary Pennsylvania Fraternal Congress; J. H. Reese, associate general agent Penn Mutual Life; Frank M. Speakman, insurance actuary; John A. Stevenson, president Penn Mutual; W. L. Talbot, president Fidelity Mutual, and W. K. Wise, vice-president Provident Mutual.

## NEWS OF THE COMPANIES

### Union Mutual Life Plans Expansion in Central West

Glen Stearns, superintendent of agents of Union Mutual Life, was in the central west last week contacting agents of his own company and those of the Massachusetts Accident, which was recently taken over by the Union Mutual, in company with Fr  d E. Dwinell, who has been field supervisor of the Massachusetts Accident in that section, with headquarters in Chicago. All of the former Massachusetts Accident agents in that territory have now transferred their allegiance to the Union Mutual, Mr. Dwinell reports. The agents of both companies will be encouraged to write both life and accident business, although it is understood that with the life agents the accident business will be secondary and with the accident and health agents, life production will be incidental.

The Union Mutual recently was licensed in Indiana but has not yet effected its agency setup there. Mr. Stearns expects to make arrangements for Indiana representation before returning to the home office.

When the accident and health department, which is still domiciled in the old Massachusetts Accident quarters in Boston, moves to Portland, Me., probably early in May, Mr. Dwinell will become manager of the Boston branch office of the accident and health department, covering New England and New York state. He left for Boston the end of last week and will work out of that office until the new setup becomes effective. While the Massachusetts Accident has not been writing any new business in New York state for six years, its renewal business there has held up remarkably well and practically all of its former agents in that state have now been relicensed for the Union Mutual.

### Points Made in Report of the Great Southern Life

E. P. Greenwood, president of the Great Southern Life of Houston, in presenting its annual report, said that it closed the year with \$3,000,000 capital and \$1,000,000 fixed surplus which has been its status for a number of years. It set aside an extra reserve of \$788,020, known as the contingency reserve. This makes \$4,788,020 reserves for the protection of policyholders in excess of the legal requirements of \$46,375,169. The assets are \$52,263,420, increase \$2,368,038.

The Great Southern closed the year with \$249,569,839 in force, about the same as the end of the previous year. He said there would have been a gain of about \$7,000,000 but for the fact that after careful consideration the company decided to withdraw from two states during the year. In doing so it disposed of its business amounting to \$7,350,392.

The mortality ratio improved and its experience as to persistency showed a very healthy condition. The company, President Greenwood announced, effected a substantial decrease in its real estate holdings. That item is now \$5,304,372. It increased its mortgage loans by \$2,854,387, that being now \$26,992,327, of which \$22,201,620 are city properties. It closed the year with \$2,553,136 cash. It earned 5.1 on its entire assets. It paid to policyholders last year \$3,456,393. This brings the total paid to \$64,571,222.

### Olympic National Licensed

The Olympic National Life, which has been licensed by the Washington department, has capital of \$100,000 and \$50,000 surplus. Its capital and surplus consist of cash of over \$106,000; first mortgages, real estate and other bonds, \$44,000. B. R. Bays is president and J. A. Zimmerman is secretary. Both have had a number of years of life insurance experience. The head office is in Seattle.

### Leading Agents Participate in Cornerstone Laying

Governor Mullen of Delaware, Mayor Bacon of Wilmington and other dignitaries attended the ceremony of laying the cornerstone of the Continental American Life's new home office structure in Wilmington this week.

G. M. Doherty, Boston general agent, handled the trowel, having won that honor in a special contest. He was assisted by Murray April, associate general agent in the Hancel agency, New York, who led in lives insured, and G. J. Ainbinder, Newark, general agent. David Moskowitz of Newark, who tied Mr. Ainbinder for premium leadership, was unable to attend. Other leading agents won places on a "cornerstone committee" and were among the "witnesses."

### Corner Stone Luncheon

A. A. Rydgren, president, presided. A lead box containing items of historic and contemporary interest was inserted in the corner stone.

After a tour of inspection a corner-

stone luncheon was held at which the winning agents were the honored guests. Dr. C. L. Benner, vice-president, presided. W. M. Rothaermel, agency vice-president, introduced the field men and presented them souvenir replicas of the cornerstone. Silver trowels were presented to the four leading agents. A moving picture record of construction was shown. Continental American's new home faces the corner of Rodney Square, being located between the post office and courthouse. Its architecture is classical to conform with government buildings around the square, the chief architectural feature externally being a three-story front entrance at the corner of the building. The company expects to move into the new building in July.

### Leading Agency Was Wilmington

"Witnesses" were: J. E. Harris, Wilmington; E. D. Simon, Philadelphia; George Yoffa, Boston; M. J. Lauer, New York, general agent; H. J. Kennedy, Syracuse; M. J. Mittelman, Brooklyn; H. H. Schmidt, Reading, Pa.; Hyman Dubrowin, Hancel agency, N. Y., and E. D. Turner, Jr., Richmond, general agent.

The leading agency in the campaign was the Wilmington branch office which qualified six members for the cornerstone committee. In recognition of this

## Forty-Sixth Year of Dependable Service

**THE STATE LIFE of Indiana** is a purely mutual, old-line, legal reserve Company in its forty-sixth year of dependable service. . . . Has paid over \$125,000,000 to policyholders and beneficiaries, and in addition holds assets of over \$53,500,000 for their benefit. . . . Issues a wide range of policies from ages one day to sixty-five years, including Juvenile, Educational Fund, Family Income, and other up-to-date forms. . . . Agency opportunities with complete training and service facilities for those qualified.

THE  
**STATE LIFE**  
INSURANCE COMPANY

Indianapolis  
Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

achievement, both Manager R. W. Horn and Margaret V. Griffith, cashier, were guests.

Among special guests were C. D. Buck, former Maryland governor and Continental American director; F. V. duPont, vice-president Equitable Trust Company, also a director; C. A. Higgins, president Hercules Powder Company, a director.

#### Republic National Results

At the annual meeting of the Republic National Life of Dallas, L. G. Schmaltz of Hume, Mo., was added to the board of directors. A dividend of 40 cents a share was declared. President T. P. Beasley told about the progress made during 1939. Increases of 112 percent in first year premiums, 41 percent in renewals and 30 percent in investment income were reported. He said that a total of \$657,275 has been paid to policyholders during the year, bringing the total to \$3,000,000. He said there has been a decrease of 23 percent in overhead cost per policy, while the ratio of first year costs to new premiums had been decreased by more than 30 percent. Mr. Beasley is not only president but general manager.

#### Uphold Company's Motion

AUSTIN, TEX.—Motions of the Teachers Annuity Life of San Antonio attacking authority of the attorney-general to institute a quo warranto suit have been sustained by District Judge Yarborough. The state gave notice of appeal to the third court of civil appeals.

In the motion sustained by the court, it was contended that the attorney-general has no right to institute the suit, that the board of insurance commissioners had not requested the suit be filed.

The action involves whether or not the company met the \$100,000 minimum capital requirement by the transfer of a building to it. The building value is being contested.

#### Hillsman Taylor's New Company

NASHVILLE, TENN.—A state charter has been granted to the Security General Insurance Co., Union Planters Bank building, Memphis. Incorporators are Hillsman Taylor, Albert Carruthers, Richard E. Adams, J. Hunter Phillips and B. K. Boydston.

Hillsman Taylor was formerly presi-

dent of the old Missouri State Life, taking that post when the Rogers Caldwell interests acquired control of the company and retiring when the Julius Barnes group took it over.

#### Add to Conn. Mutual Building

The Connecticut Mutual Life will build a \$650,000 addition to its Garden street building in Hartford in the form of a wing, three stories high and fire-proof.

#### Leib Franklin Life Comptroller

R. Wells Leib has been promoted to comptroller of Franklin Life. He has been with that company since 1919 as head of the statistical department and personnel officer. He served for three years as treasurer of the Life Office Management Association and is prominent in life insurance statistical work.

#### Commercial Life Changes

The Commercial Life of Toronto has named John W. Glenwright, managing director, first vice-president and W. C. Hodgson, manager of Crane Limited, second vice-president.

#### Schaus Is Named Secretary

Herbert Schaus has been appointed secretary of the Dominion Life. He has been with the company in various capacities since 1916. J. K. Pickett, who has been assistant manager and secretary since 1924, has reached retirement age.

President Paul C. Buford and R. S. Brown, Martinsville, have been named trustees under the Shenandoah Life's mutualization plan. L. J. Boxley and B. J. Fishburn, Roanoke, have been named directors.

The Prudential announces the promotion of H. T. Adams from personnel department to assistant supervisor and W. J. Letts from manager of Region B group insurance to assistant supervisor.

E. R. Moore, former Cedar Rapids, Ia., banker, has been appointed co-trustee of the Royal Union Fund, succeeding the late Ray Nyemaster of Davenport. The other trustee is J. E. Wooding of Des Moines. Mr. Moore was treasurer of the Cedar Rapids Life. The Royal Union

was reinsured in 1933 by the Lincoln National Life.

The convention examination of the Minnesota Mutual Life, which has been under way since Jan. 15, is practically completed and the report of the exam-

iners is expected at an early date. Minnesota, North Carolina, Texas, Missouri and Montana participated.

The Western Reserve Life of San Angelo, Tex., which has moved its head office to Austin, Tex., is located in the Scarborough building.

## LIFE AGENCY CHANGES

### Name Agency Assistant in Johannsen Office

Harold W. Baird, assistant manager of the Reliance Life's northern Illinois agency, Chicago,

has resigned to become agency assistant with A. J. Johannsen, Brooklyn general agent of Northwestern Mutual Life. Mr. Baird started with Mr. Johannsen in the business in Chicago late in 1935 as an agent when Mr. Johannsen was supervisor of the Hobart & Oates agency of Northwestern Mutual there. He went with Reliance Life as assistant manager of the Illinois department early in 1937.

In his first year with the Northwestern Mutual he assisted Mr. Johannsen in grading papers and substituting occasionally in the insurance course at Northwestern University's school of commerce which Mr. Johannsen directed. Mr. Baird is a graduate of Northwestern and also of the insurance course in the school of commerce. He was successful as an agent and also produced much business as supervisor and assistant manager, doing much joint work.

Mr. Baird has been active in the Chicago Association of Life Underwriters, being a director, co-chairman of the public acceptance committee, and on the membership and movie committees.

### Madison Now Branch Office

As a result of increased business in the south-central Wisconsin area, the North American Life & Casualty, Minneapolis, has elevated its Madison, Wis., office from a general agency to a branch office.

H. P. Skoglund, president, and B. H. Odell, vice-president, were in Madison to supervise the opening of the new branch at 213-217 Gay building.

J. D. Wistra, who was in charge of the Madison agency, has been named district manager with Anton Schroedl as associate manager.

Mr. Wistra attended the University of Wisconsin. He entered insurance in Waupun, Wis., as a personal producer and was placed in charge of the Madison agency in July, 1937. Mr. Schroedl went to Madison from Manitowoc. Both are members of the company's Century club.

### McGrath in New Position

R. S. McGrath, who has been appointed general agent of the Columbian National Life at Portland, Me., entered the life insurance field in New York, after spending his childhood in White Plains, N. Y. He received his law education at the New York University Law School. He started with the New York Life in the legal department at the head office and in 1931 was sent to Portland, Me., to become agency organizer. Then he joined the John C. Paige Company in Portland and while with that insurance office he specialized on accident, health and life.

### Guarantee Mutual Names Two

Guarantee Mutual Life has appointed A. R. Armstrong of Hastings general

agent for eight counties in southern Nebraska. He has had 10 years of life insurance sales experience. He recently resigned as general agent for Occidental Life of California.

Horace J. Nelson, who has represented Guarantee Mutual as an agent at La Grande, Ore., for 14 years, is made general agent for three eastern Oregon counties. For several years Mr. Nelson has ranked among the leaders of the company and has 155 consecutive weeks of production on the App-a-Week club.

### Strange Is Hodges' Associate

CINCINNATI—T. W. Strange has been appointed associate manager in the home office agency of Ohio National Life. He will assist Ray Hodges, manager, and will also do some personal work. Mr. Strange entered life insurance 20 years ago with Pacific Mutual Life, with which he has been associated up to the present time. The agency has been considerably enlarged by the addition of a number of counties in southeastern and western Ohio and northern Kentucky.

### Opens Harrisburg Office

The Travelers is establishing an agency branch in Harrisburg, Pa. located in the State Street building.

Harry T. Litke, recently transferred from Reading to Harrisburg, will be resident assistant manager.

### Rawles Agency Instructor

J. E. Rawles, agent in the Reliance Life of northern Illinois department office at Chicago for eight years, has been appointed agency instructor by Manager W. C. Peck. Mr. Rawles has been doing organization work for some time. He is a graduate of Purdue and Northwestern University school of commerce, and is taking the C. L. U. study course.

### Bayum Named at York, Pa.

Robert E. Bayum of York, Pa., has been named to succeed the late W. C. Wambaugh as district manager of Continental American Life for York, Adams and adjacent counties. He goes there from Philadelphia.

Ross C. Dehner has been appointed general agent for American Reserve Life at Chillicothe, Mo. He went with Equitable Life of Iowa at Brookfield, Mo., in 1919 and in 1924 was advanced to district agent at Chillicothe, which position he held until he joined American Reserve.

C. L. Adams, formerly with the Oregon Mutual Life, has been appointed agency supervisor of the R. H. Edmiston agency of the Connecticut Mutual Life in Seattle.

W. J. Rickert, with the home office general agency of Farmers & Bankers Life for several months, has been named field assistant by Clayton Mammel, general agent. He was formerly a producer and general agent at Medford, Ore.

Kennard W. Baker of the Columbus branch of the Equitable Society has been transferred to the home office in New York City. He is a graduate of Ohio State University, where he majored in life insurance.

The Canada Life has appointed M. L. Moore city supervisor for Ottawa and Hull under Branch Manager W. D. Burden.

The Ohio State Life started a sales campaign to be known as the Oslico Derby Day, extending from March 25 to May 4.

## WANTED

### By an Illinois Mutual Life Company TWO MEN

Who know how to appoint agents and get them into production, and who can produce personal business. Position covers expansion of both Northern and Southern Illinois.

In addition to salary and bonus the position offers an unusual opportunity for promotion.

In reply give complete history of experience together with photograph. Age limit 40.

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The National Underwriter, 175 W. Jackson Blvd.—Chicago

## SPLENDID OPPORTUNITY for AGENCY SECRETARY

A 35-year old progressive Company, located in a beautiful Western City, wants man capable of handling duties of Agency Secretary. The man selected must be able to handle all agents correspondence, agency contracts, prepare sales material, analyze costs and prepare statistical records.

Experience in the Field desirable but not essential.

Submit complete record of experience and educational background in first letter.

ADDRESS L-46, THE NATIONAL UNDERWRITER  
175 W. Jackson Blvd., Chicago, Ill.



## LIFE SALES MEETINGS

### Commonwealth Life's Ohio Convention

The Commonwealth Life of Louisville, in its eighth anniversary celebration of the northeastern Ohio agency held at Youngstown, scored a remarkable success. It included both the Youngstown and Cleveland offices. It marks not only the eighth anniversary of the establishment of the agency but also the entrance of the company in Ohio. Marcel Dreyfus, general agent, was toastmaster. The two chief guests of honor were President H. W. Batson and Executive Vice-president I. S. Homans from the home office. This was the first time that either Judge Batson or Mr. Homans had visited the agency. President Batson was the chief speaker. He commented on the large volume of business written in the northeast Ohio agencies during eight years, more than \$5,000,000. He spoke with pride of the record of the Commonwealth Life in Ohio during the period of its operation.

#### Mr. Homans' Address

Mr. Homans, in his speech, stressed personality as a predominating factor in life insurance work. He commended General Agent Dreyfus for his accomplishment. Mr. Homans referred to the record of Harry Weinstein who has maintained uninterrupted weekly production during his entire connection with the company. Mr. Weinstein received the prize for the largest volume and Mendle Smith was runner up. Louis DiFabio was given a prize for the largest excess of quota and Harry Schwartz for the largest number of applications. Mr. DiFabio was awarded the five year service pin.

Innocenzo Bagnozzi represented the Youngstown Life Underwriters Association and spoke of the possibilities of life insurance work. He is a Youngstown water commissioner and is an agent of the Midland Mutual.

Monroe Smith, director of agencies, gave a talk enumerating the factors that contribute to the success of the individual producer. Gayle Prather, superintendent of agencies, gave a talk. He spoke of the 35th anniversary drive dedicated to Mr. Homans. He stressed the company's \$10,000,000 goal for 1940. Short talks were made by Mr. DiFabio, Mr. Schwartz, Marvin Beatty, Louis Rosenbaum, P. C. Popeson and others.

### J. A. Preston Spurs Columbus Mutual Men to Qualify

James A. Preston, sales manager at the head office of Columbus Mutual Life, has returned from a trip during which he conducted agency meetings at Detroit and Jackson, Mich., and at Chicago. He outlined plans to help the agents qualify for the convention of leaders which will be held in New York while the world fair is in progress. Mr. Preston also discussed at considerable length with the agents the hospitalization insurance policies that Columbus Mutual is selling to individuals which have proved very popular. Columbus Mutual has a policy for \$9 that provides \$5 a day hospital room benefits for 28 days and a \$12 policy that provides surgical allowance up to \$50 as well as the hospitalization benefits.

Columbus Mutual has contracted with about 90 new agents during the past few months for the sale of hospitalization insurance.

Columbus Mutual has just revised its hospitalization policies for women to exclude childbirth and female diseases. About 50 percent of its policies are issued to women.

### Penn Mutual Southern Meeting

Vice-president A. E. Patterson and Urban Quick of the agency department

held a meeting in Memphis with eight southern general agents of the Penn Mutual Life. The general agents were Dorian Fleming, New Orleans; Henry Faser, Jackson, Miss.; Jack Watson, Shreveport, La.; Allen Gates, Little Rock, Ark.; W. H. Browder, Nashville; E. P. Connolly, St. Louis; William Arnold, Harrisburg, Pa., and Bolling Sibley, Memphis.

#### Frank Bland Gives Address

F. W. Bland of San Francisco, Pacific Coast manager of THE NATIONAL UNDERWRITER, addressed the agency force of the Colorado Life in Denver on "Social Security and Its Relation to Life Insurance."

Harry C. Booker, assistant to Manager A. M. Embry, Equitable Society, Kansas City, and Lee Wandling, Wichita district manager, conducted a five-day extended income plan school in Wichita for agents of southern Kansas. A similar meeting was held in Kansas City for northern Kansas agents.

## MANAGERS

### C. V. Anderson Tells of TNEC Hearing

CINCINNATI—Implications of the TNEC life insurance investigation and the proposed Wagner annuity plan were discussed by C. V. Anderson, Provident Mutual, chairman laws and legislation committee National Association of Life Underwriters, at a meeting of the Associated Life General Agents & Managers. He described the work of his committee in presenting the life insurance viewpoint to members of Congress. He said that he did not think that the Wagner annuity proposal would be brought up in an election year. Reactions received from congressmen indicated that 80 percent of senators and 75 percent of representatives are opposed to federal supervision, he said. It has been impossible to obtain from Senator O'Mahoney a definition of what he meant by "supervision," Mr. Anderson stated. To combat the forces hostile to life insurance, every general agent individually must take an active part, Mr. Anderson declared.

### Better Agents Aid Public Relations

SAN FRANCISCO—In a talk on "Forethought and Fortitude," C. W. Peterson, San Francisco manager Phoenix Mutual Life, told the San Francisco General Agents & Managers Association that developments in the past year have put the emphasis on public relations. It is necessary that the policyholders have an intelligent understanding of the business, he said. No other business possesses the machinery and the man power which when marshalled together and organized can so quickly bring about the understanding we want, he declared.

#### Service to Protect Policyholder

"Good public relations begin with good private relations," he said, pointing to the necessity for elimination of the unfit man. "We should make the men in the business measure up to the qualifications of the men from whom we, ourselves, would buy. That individual would have the professional concept of the business, a real knowledge of the clients' situation and the courage to advise the client without reservation. He'd be a good workman, permanently in the business, and possessing the integrity that would enable him to fulfill the responsibilities dependent upon his vision

and knowledge of the life insurance business."

He emphasized that such service would protect the policyholder against the rewriting of his existing policies; the maintenance of old term insurance; the full use of government insurance opportunities and information on social security expansions.

"The agent should be told he must do certain things if he would meet with success. As managers and general agents we must earn our keep, and the key to successful agency management, more than ever before, seems to lie in supervision."

The greatest opportunity for increased efficiency on the part of life insurance agents today does not lie in increased effectiveness in the actual sales interviews, but in the organization of his time to enable him to more often repeat his existing capabilities as a salesman, Mr. Peterson declared.

### San Francisco Cashiers Hold Panel Discussion

SAN FRANCISCO.—With an attendance of almost 100 percent, the monthly meeting of the San Francisco Life Agency Cashiers Association was held last week. Dinner was served and the members then adjourned to the

offices of the Penn Mutual Life as the guests of T. W. Hoag, cashier.

After inspecting the equipment and the methods of handling various phases of the office routine, the business meeting proceeded with President Bronson Gillogly presiding. Under his direction, a panel discussion on personnel was conducted by three groups headed by C. W. Toon, Union Central; Eda Hudson, Northwestern Mutual, and Harold McCrimmon, Reliance Life. A study will be made on the problem of engaging new clerks and other office employees.

The research committee, having just completed a summary of business hours as the result of a survey of 26 agency offices, distributed mimeographed copies.

### Fischer Is Chicago Speaker

Chester O. Fischer, vice-president Massachusetts Mutual Life, will speak to the Chicago Life Supervisors Club April 18 on "Plan, Plant and Personnel." The club usually meets on the second Thursday of each month but is changing the date in order to hear Mr. Fischer.

### Jolly Speaks in Oklahoma City

C. D. Jolly, Prudential, spoke to the Oklahoma City General Agents & Man-



## OVER 350 FIRMS

Have adopted the Minnesota Mutual Pay-Roll-Deduction-Family-Policy plan for building employee good will. It involves no cash outlay, practically no expense. Employees may choose any policy arrangement including our new Family Policy, with convenient, automatic monthly payments through payroll deductions and important savings in rate.

#### We offer our Field Force:

1. A liberal agency contract.
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## AGENCY NEWS

### Reese Agency Luncheon

DETROIT — Nathaniel Reese, Detroit general agent Provident Mutual Life for nearly 40 years, and 26 of his associates held a luncheon to celebrate the 75th anniversary of the company. A. D. Chantler, George Bremer, P. Paganette and W. A. Conlin topped the agency force in the production drive leading up to the anniversary. President M. Albert Linton's address to the field force was heard via amplified telephone hook-up.

### Kraft Speaks at Dinner

WINSTON-SALEM, N. C.—The Kinney & Gooze agency of the Midland Mutual Life held a dinner with wives in attendance. H. W. Kraft, advertising and sales promotion manager, spoke. Mr. Kraft was here several days prior to the dinner conducting a course on "Advanced Life Underwriting Principles."

Mr. Kraft urged agents to stress the income phases of insurance. Service, rather than selling, he said, should be the motto of all good insurance men.

### Special Drive for C. W. Campbell

The assistant managers of the Prudential ordinary office at Jacksonville, Fla., are exerting special efforts these days to make the production in March a memorable event. This month Manager Charles W. Campbell is completing ten years as manager of the agency and his 43rd birthday also falls in the month. When he took charge the agency was disorganized, discouraged and was unproductive. He has converted the agency into a potent organization. The objective for the month is the production of \$1,200,000.

### Double Celebration for Webster

PITTSBURGH—The 75th anniversary celebration of the Provident Mutual was a double celebration here, marking the removal of the Steacy E. Webster agency from the 25th to the 29th floor of the Koppers building.

The program included a meeting in the new quarters and a luncheon. Leading producers honored were W. H. Goehring, F. I. Bossart, Greensburg; F. H. Williams, Hi Frishkorn and S. J. Watts, Jr. President M. A. Linton spoke over a telephone hookup.

A dinner was given in honor of Clifford C. Wharf, who has just completed 10 years with the Columbus, O., agency of the New England Mutual Life.

### Training School Held

LINCOLN, NEB.—Under the leadership of E. A. Frerichs, who has given up all personal production in order to concentrate on agency supervision, the Security Mutual Life of Nebraska was able to enroll 30 men and one woman in a three day training school.

### A. R. Metcalfe Resigns

A. R. Metcalfe has resigned as Newark general agent of National Life of Vermont to devote his time to estate planning service. He will continue with the Newark agency as associate general agent but will have his own office in Summit, N. J. He has been Newark general agent nearly eight years. He is secretary-treasurer of New Jersey General Agents and Managers Association.

A. K. Stratton, 52, district agent for Aetna Life at Corpus Christi, Tex., for three years, died there after a short illness.

## POLICIES

### Federal Life Brings Out Two New Forms

Federal Life has brought out two new policies, the "streamliner" and "family policy." The streamliner is a combination life, accident and health contract issued to men only in preferred and standard classifications, ages 15-55. It offers one day to five years benefits for accident and sickness, non-confining sickness benefits being the same as for confining sickness, for a period of three months. One month grace period is allowed after the first premium is paid, applicable to both the life and accident and health portions. There is a hospital benefit of 100 percent increase over the monthly benefits.

The cancellation clause in the standard A. & H. contract has been eliminated. Loss of sight of both eyes, both hands or feet, or loss of one hand or foot or sight of one eye does not limit insurance to a small cash sum but assures the full monthly benefit up to five years. Non-forfeiture values are provided.

Monthly indemnity applied for, with any other disability insurance in force on the risk must not exceed 80 percent of the assured's actual earnings. The contract will be issued on non-medical basis, ages 15-45, inclusive for not more than \$2,500 of life insurance, except that all streamliners used in combination with whole life special adjustment option policies must be on the medically examined basis. Premium rates are quoted for various combinations.

### Details of Family Policy

The family policy is a so-called group family contract, which insures all members of a family who can qualify. It is issued on non-participating endowment at age 85 continuous premium basis, and so drawn as to give the same benefits as though individual policies on the plan had been issued on each life insured. Death benefits are graded for ages at issue under five years. The usual non-forfeiture values are given with optional methods of settlement. The minimum amount of insurance on any one member must be at least \$250 ultimate amount and the minimum amount on the entire family is \$1,500 ultimate amount.

Illustrative premium rates for the streamliner contract at quinquennial ages, and at all ages for the family policy are:

Streamliner Policy									
Standard Risks									
\$1,000-\$25					\$1,000-\$25				
Combination					Combination				
Age	Life	End	End	at 85	Age	Life	End	End	at 85
15	23.82	27.64	34.89	36.32	40	40.14	47.39		
20	24.61	29.28	36.91	37.11	45	41.78	49.41		
25	25.88	31.28	39.21	38.38	50	43.78	51.71		
30	27.58	33.87	41.99	40.08	55	46.37	54.49		
35	29.96	37.35	45.55	42.46		49.85	58.05		
40	32.90	42.05	50.09	45.40		54.55	62.59		
45	37.93	48.43	55.94	50.43		60.93	68.44		
50	44.85	57.10	63.84	57.35		69.60	76.14		
55	53.32	72.57	77.56	74.32		88.57	93.56		

Preferred Risks									
(\$1,500-\$50					(\$2,000-\$75				
Combination)					Combination)				
Age	Prem.	Age	Prem.	Age	Prem.	Age	Prem.	Age	Prem.
15	37.98	43.71	54.59	54.14	61.78	76.28			
20	39.17	46.18	57.62	55.72	65.06	80.32			
25	41.08	49.18	61.07	58.26	69.06	84.92			
30	43.62	53.06	65.24	61.66	74.24	90.48			
35	47.19	58.28	70.58	66.42	81.20	97.60			
40	51.60	65.33	77.39	72.30	90.60	106.68			
45	59.15	74.90	86.16	82.36	103.36	118.38			
50	69.53	87.91	97.72	96.20	120.70	133.78			
55	91.48	112.86	120.34	126.64	155.14	165.12			

Family Policy									
Age	Prem.	Age	Prem.	Age	Prem.	Age	Prem.	Age	Prem.
Under		6		12		18		24	
Mo.	12.23	16	14.34	31	21.00	46	36.27		
1	12.27	17	14.66	32	21.65	47	37.83		
2	12.33	18	15.00	33	22.36	48	39.50		
3	12.42	19	15.34	34	23.09	49	41.26		
4	12.50	20	15.70	35	23.87	50	43.12		
5	12.59	21	16.08	36	24.70	51	45.10		
6	12.68	22	16.47	37	25.59	52	47.21		
7	12.77	23	16.88	38	26.52	53	49.45		
8	12.87	24	17.31	39	27.51	54	51.82		
9	12.97	25	17.76	40	28.55	55	54.34		
10	13.07	26	18.22	41	29.67	56	57.02		
11	13.19	27	18.71	42	30.84	57	59.88		
12	13.36	28	19.24	43	32.08	58	62.92		
13	13.55	29	19.79	44	33.40	59	66.16		
14	13.78	30	20.38	45	34.80	60	69.62		
15	14.03								

### Tells Off the Assistant Attorney-General of N. J.

United Mutual Life of Wilmington, Del., makes public two letters that it has written to Assistant Attorney-general Andrew J. Markey of New Jersey that contain some remarkable invective. For instance:

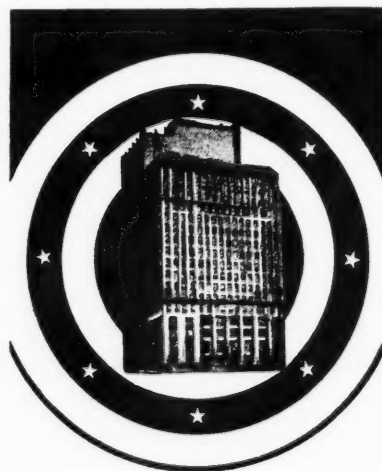
"The Wilmington newspapers thought so much of your rotten actions that they would not print your story that you forwarded to them. You will remember in our personal interview I stated that New Jersey politics was rotten and you came back at me that you thought that ours stunk. Now from your contemptible actions, I am satisfied yours is the rottenest."

Apparently the New Jersey attorney-general brought some sort of an action against the Wilmington concern, which is not licensed in New Jersey. United Mutual Life states that it has received a newspaper clipping, quoting the attorney-general as stating that he had received a dozen complaints from beneficiaries that have been unable to collect from United Mutual Life. United Mutual, in its letter to Mr. Markey, states that the attorney-general took up with the company only one complaint. This was filed, according to United Mutual, with the attorney-general by "a Mr. Jorgensen, who was practicing law in the private law office of the attorney-general of New Jersey for the reason that we rejected his claim and returned premiums paid."

"Wasn't this claim filed with us under a policy of another company that we did not assume liability under and as a shame did you not mention another claim under another company's policy that originated in 1937 that we did not know anything about?"

"Will you kindly give us a list of the dozen claims that you claim were filed with you against this company? Otherwise, will you counteract your lying statement to the court and press?"

There is more in the same vein.



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## NEWS OF LIFE ASSOCIATIONS

### Zimmerman Faces Crowded Itinerary

In the busiest speaking month since his inauguration as president of the National Association of Life Underwriters, C. J. Zimmerman, general agent for the Connecticut Mutual Life at Chicago, will address 18 meetings in 14 different states during April. Starting at the mid-year meeting in Atlanta on April 4-6, his itinerary carries him as far west as Ogden, Utah, and east to Springfield, Mass. Eleven of his talks will be made before state or national groups.

At every association gathering, Mr. Zimmerman will confer with officials and committee chairmen, and will speak before meetings of general agents' and managers' groups. His schedule is as follows:

April 4, Atlanta, state presidents' conference; April 5, Atlanta, National council, midyear meeting; April 6, Atlanta, board of trustees, midyear meeting; April 9, Ogden, Utah state association; April 10, Denver, Colorado state association; April 11, Hutchinson, Kan.; April 12, Kansas City, Mo.; April 13, Wichita, Kansas state association; April 16, LaPorte, Ind.; April 17, Fort Wayne, Ind.; April 18, Louisville; April 19, Knoxville, Tennessee state association; April 20, Charleston, West Virginia state association; April 23, Chicago, Accident and Health Week breakfast; April 25, New York; April 26, Hartford, Connecticut state association; April 29, Providence, R. I.; April 30, Springfield, Mass.

### Kansas Association Expects Over 400 at Congress

WICHITA, KAN.—Over 400 are expected to attend the annual meeting and sales congress of the Kansas Life Underwriters Association here April 12-13. The gathering will start with a managers' session the first afternoon at the Wichita country club.

The annual golf tournament will be followed by a dinner and seminar at which C. J. Zimmerman, president National association, will speak.

On April 13 the general sessions of the sales congress will be held at the Allis Hotel. Speakers include Howard C. Lawrence, Lincoln National general agent, Newark, and president New Jersey association; L. Mortimer Buckley, president Chicago association; Henry G. Mosler, Los Angeles, chairman Million Dollar Round Table, Mr. Zimmerman and Paul Speicher, R. & R. service.

The annual business session, including election of officers, will close the day's session.

O. Lynn Smith, Connecticut Mutual, secretary Kansas association, has charge of the general agents and managers gathering and President Leo Porter, Lincoln National, and General Chairman Lee Wandling, Equitable Society, are in charge of the sales congress.

### Joint Meeting Hears Hull

The Wichita Insurors joined with the Wichita Life Underwriters Association to hear R. B. Hull, general counsel National Association of Life Underwriters, on "What Is the Public Saying?" This took the place of this week's regular meeting of the Wichita Insurors. Many prominent policyholders and public officials were among the more than 400 present.

Mr. Hull also addressed local associations at Hutchinson, Salina, Manhattan, Topeka, Pittsburg and Independence. The Emporia association joined in the Topeka meeting as did the Coffeyville association at Independence. President Leo Porter and Secretary O. Lynn Smith of the Kansas association accompanied Mr. Hull and extended invitations for the Kansas sales congress April 12-13 in Wichita.

San Francisco—Sixteen have qualified for membership in the Quarter Million

Round Table of the San Francisco association. Average production of the group so far qualified is \$354,000, with an average of 65 applications for the fiscal year.

Plans are now being completed for a meeting of the group early in April.

Northern New Jersey—A luncheon meeting will be held in Newark April 5. The meeting day has been changed so as to accommodate many who were unable to attend on Mondays.

Pasadena, Cal.—Henry E. Belden, associate general agent of the Union Central Life in Los Angeles, spoke on "Prestige Formula."

San Diego—The southern California caravan journeyed from Los Angeles for a dinner meeting with the San Diego association. The San Diego association was the first in the state to exceed its membership quota.

Chairman Buryl Blevins of the membership committee told of its activities. G. C. Janney outlined the plans of the managers and general agents section.

Chairman W. J. Stoessel of the caravan had charge of the program. Leon A. Soper, president Los Angeles association, talked on "Association Membership for 1940." George H. Page, state executive committee, discussed "The Need for Cooperation." Chairman Henry G. Mosler of the Million Dollar Round Table spoke on "Responsibility of the Agent to His Client"; J. Nolan Beardon on "Successful Motivation"; Marvin Smith on "Estate Conservation"; and John W. Yates, national trustee, on "Salesmanship—A Challenge to a More Abundant Life."

Peoria, Ill.—Senator Tydings of Maryland is addressing an evening meeting Friday. A number of business leaders in Peoria and the vicinity have been invited. The meeting will be held in the Shrine Mosque. There will be a dinner preceding the meeting which will be attended by C. J. Zimmerman, president of the National association.

Rhode Island—These officers were elected at the March luncheon meeting in Providence: President, Walker Mason, Connecticut General Life; vice-president, E. F. Carey, State Mutual Life; secretary-treasurer, Maurice H. Stearns, John Hancock Mutual Life, all of Providence. Paul Zerrahn, agency assistant Phoenix Mutual Life, spoke.

Salt Lake City—A new committee on public relations has been created, with President Carl R. Marcusen of the Pacific National Life as chairman.

The directors adopted a resolution presented by President Frank Mozley, approving the stand of the National association in condemning the attitude of the SEC toward life insurance companies.

Sheboygan, Wis.—Bert Nelson, Northwestern Mutual Life, Milwaukee, spoke on methods of prospecting that have proven practical and successful for him. The attendance was the largest in the history of the association.

Green Bay, Wis.—Roy C. Miller, Milwaukee, assistant agency director Old Line Life, spoke on "The Relation of Social Security to Life Insurance."

Madison, Wis.—About 125 attended the annual sales congress. Speakers included Alvin Moser, Aetna Life, Milwaukee, president Wisconsin association, on "What the State and National Associations Are Doing"; C. W. Tomlinson, Des Moines, director of sales training Bankers Life, "Philosophy of Life for the Life Insurance Man"; A. H. Kollenberg, Grand Rapids, Mich., Mutual Benefit Life, "Business Insurance"; and P. B. Hobbs, Chicago, Equitable Society, "Insurance As An Investment."

Texas—The Austin association states that reservations for the meeting of the state association to be held there June 6-8 indicate an attendance of 500. The program committee has lined up a fine list of nationally known speakers.

Fort Worth, Tex.—W. B. Todd, Crowley & Thompson, attorneys, gave a talk on "The Business Man's Attitude Toward Life Insurance."

Springfield, Ill.—B. J. Stumm, Northwestern Mutual, Aurora, state president, reviewed activities of the TNEC and SEC and discussed records made by life insurance groups in the nation.

Buffalo—Twenty-two past presidents were honored at a special luncheon at which Warren H. Smith, Cleveland general agent Northwestern National, spoke.

President Arthur L. Beck paid tribute to the past leaders. The Buffalo association since its inception in 1886 has

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SALES—LOANS  
APPRAISALS  
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**Norris, Beggs & Simpson**  
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REALTORS  
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REAL ESTATE SERVICE  
  
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Property Management—Appraisals—  
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**Norris, Beggs & Simpson**  
Coastwide Service  
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SALES—LEASES  
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REALTORS  
Property Management  
Complete Real Estate Service  
For the past 40 Years  
Entire 2nd Floor, Marion Bldg.  
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## PROPERTY MANAGEMENT — DIRECTORY —

• The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

### WISCONSIN

#### ELDON B. RUSSELL and ASSOC.

LOANS  
PROPERTY MANAGEMENT  
APPRAISALS  
RENTALS  
Experienced Insurance Activities

Tenney Bldg.  
MADISON, WIS.

been a strong influence for sensible legislation, he said.

Mr. Beck introduced each past president, beginning with W. H. Joyce, dean of the living past presidents, who headed the association in 1901-1902. Other old timers were: H. E. Crouch, 1905-1907; E. G. Hatch, 1907-1908; F. A. G. Merrill, 1908-1909; F. E. Lahey, 1912-1913; Percy G. Lapey, 1915-1916, and C. F. Adams, 1916-1917.

At a public meeting April 19, Dr. S. S. Huebner, president American College of Life Underwriters, will speak on "The Professional Plan in Life Underwriting."

E. S. Murphy, assistant agency manager Equitable Society, president of the Buffalo C. L. U. chapter, is in charge of the program.

**Indianapolis**—Earle W. Brailey, New England Mutual, Cleveland, president of the National C. L. U. chapter, was guest speaker Thursday. The Indianapolis C. L. U. gave a breakfast for Mr. Brailey. Eber M. Spence presided at the luncheon, and Mr. Brailey was introduced by W. H. Meub, general agent of New England Mutual. Guy E. Morrison presided at the breakfast.

**Minnesota**—At a meeting of the executive committee in St. Paul Oswin A. Reeves, chairman convention committee, was authorized to go ahead with plans for the annual meeting in May in Minneapolis. The exact date and the selection of a speaker will be arranged later.

**Austin, Minn.**—President Hiram Moore of the state association and J. Cameron Hurst, Minneapolis, will attend a luncheon meeting April 13. Mr. Hurst will speak.

**St. Paul**—At the March 29 meeting two films "American Portrait" and "How to Make Your Sales Story Sell," will be shown.

**Youngstown, O.**—D. A. Williams, Ash-tabula, O., who has been conducting a school for life insurance sales research, spoke.

**New Jersey**—A two-day annual state meeting and sales congress is planned for mid-June at Asbury Park, sponsored by the Northern New Jersey association.

#### Anderson Rejoins Occidental

A. M. Anderson has rejoined the field force of the Occidental Life in the J. Dickson agency in Los Angeles, following two years absence from field work during which he has toured the country addressing life underwriter groups and explaining his simplified method of programming for the smaller buyer.

Author of "Selling Points Classified," and several other well-known life insurance books as well as numerous articles, Mr. Anderson has been in life insurance nearly 30 years, starting in the field as an Occidental agent in 1913. After 10 years of personal production and an equal period in managerial and supervisory work, he became a member of Occidental's home office staff in 1936. In 1937 he was appointed Occidental general agent in Pasadena, Cal. He is past president of the Los Angeles Association of Life Underwriters.

F. J. Van Stralen, manager Massachusetts Mutual Life, San Francisco, is the father of a third son.

## AS SEEN FROM CHICAGO

### EVALUATION OF TIME

When one is pressed for time he probably is able to evaluate that important asset more exactly than he did when steps were taken more leisurely. L. Mortimer Buckley of the Provident Mutual, who is president of the Chicago Life Underwriters Association, has given about one-third of his time to that organization and yet the 12 months of his reign have been the best in his career. He has no time to spare, he values it more highly, and, therefore, when he is not giving his time to the organization, he is intensely interested in his business and loses not a moment.

### MacARTHUR THEATRE HOST

About 60 members of the official family of Central Life of Illinois and some special guests were entertained Monday evening by Alfred MacArthur, president of Central Life, at the play, "Ladies and Gentlemen," in Chicago. The leading lady in that play is Helen Hayes, whose husband is Charles MacArthur, brother of the president of Central Life. Alfred

MacArthur is a most enthusiastic brother-in-law. He declines to state how many times he has attended "Ladies and Gentlemen," but his friends are sure that it constitutes some sort of a record.

### ZIMMERMAN SPEAKS ON TNEC

C. J. Zimmerman, Chicago general agent Connecticut Mutual Life and president National Association of Life Underwriters, will address the Insurance Club of Chicago at an evening meeting April 2 in the Chicago Board auditorium. He will talk on the Temporary National Economic Committee, its investigation of life insurance and how the institution may be affected by the inquiry, its political angles and by-products. The meeting is set to start at 6 p. m.

### EWING IMPERSONATES ASA WING

The telephone broadcast of President M. A. Linton of Provident Mutual Life to all agencies in connection with the diamond jubilee celebration of that company was augmented in the Chicago

agency of Willard Ewing. From his private office, prior to the broadcast by Mr. Linton, Mr. Ewing telephoned through the loud speaker in the room in which the agents were gathered a talk that was given in 1920 before a group of general agents and special agents in Philadelphia by the late Asa S. Wing, who was then president of Provident Mutual. Mr. Ewing, who was an agent in Philadelphia at the time, was at that meeting and he was so impressed with Mr. Wing's remarks that he has retained a copy of the speech ever since. In the broadcast to his agents, Mr. Ewing impersonated Mr. Wing. Mr. Wing, in that talk, emphasized the responsibility of the agent and the place of the agent in the life insurance picture. Mr. Ewing feels that it has a very close application to present day conditions.

### QUIZ GUBERNATORIAL CANDIDATES

The insurance division of the Illinois chamber of commerce appointed a committee to send out a questionnaire to the candidates for governor in the Illinois primary election to be held April 9, seeking to ascertain from them their attitude toward insurance and particularly what might be expected in the appointment of state insurance director.

## Title Insurance Companies

• The title insurance firms whose cards are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

### CALIFORNIA

Title Insurance—Escrows—Trusts

#### Title Guarantee & Trust Co.

Incorporated October 28, 1895

Title Guarantee Building

Hill at Fifth Street

Los Angeles, California

### COLORADO

#### THE TITLE GUARANTY COMPANY

W. Elliott Houston, Pres. Aksel Nielsen, Exec. V. P.  
"Home of Landon Abstracts"

Titles insured thruout Colorado.

Escrow Service—Loans—

Abstracts

1500 Court Place—Denver

### OREGON

Over \$700,000 Capital & Surplus

#### TITLE INSURANCE

ESCROWS

LOANS

ABSTRACTS

COMPLETE RECORDS

Correspondents New York Life

#### COMMONWEALTH, INC.

415 S. W. Sixth Street

Portland, Ore.

### MISSOURI

#### KANSAS CITY TITLE AND TRUST COMPANY

KANSAS CITY, MISSOURI

Complete Title Service

for the Greater Kansas City area

NATIONAL TITLE DEPARTMENT

### UTAH

#### INTERMOUNTAIN TITLE GUARANTY COMPANY

TITLE INSURANCE

Operates in Utah, Idaho and California. Policies accepted by Supt. of Insurance of the State of New York.

Home Office:

309 First National Bank Building

Salt Lake City, Utah

#### Specify TITLE PROTECTION

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LARGEST, MOST COMPLETE

TITLE COMPANY IN THE WEST

(Capital and surplus over \$16,000,000.00)

#### TITLE INSURANCE

and TRUST COMPANY

433 South Spring Street, Los Angeles

Other Offices: Santa Barbara, San Luis Obispo, Ventura, San Diego, Visalia, Bakersfield, Riverside.

San Diego's oldest and largest  
title insurance company

#### Union Title Insurance and Trust Company

SECOND AVENUE  
AT BROADWAY  
SAN DIEGO

Complete title, escrow and  
trust services.

#### Title Insurance Corporation OF ST. LOUIS

810 Chestnut Street

McCune Gill, Vice-President

Qualified with Insurance Department  
of Missouri and  
Eastern States.

Only complete tract index in St. Louis  
City and County.

### OKLAHOMA

#### AMERICAN FIRST TRUST CO.

First National Bldg.

Oklahoma City, Okla.

#### STATE-WIDE TITLE INSURANCE

Under Supervision of State Bank  
Commissioner

### WASHINGTON

#### WASHINGTON TITLE INSURANCE CO.

Capital \$1,350,000.00

803 Second Avenue

SEATTLE, WASHINGTON

Statewide Title Service

Please Mention

The National Underwriter

when Writing to

Advertisers

#### CITY TITLE INSURANCE COMPANY

68 Sutter Street

Complete Title Service

San Francisco, Cal.



Governor Horner has made a magnificent record so far as the insurance department is concerned and has kept hands off it politically. He appointed Ernest Palmer as director and the department is manned so far as its key people are concerned by those experienced in different phases of insurance. Mr. Palmer himself was general manager of the Chicago Board of Fire Underwriters, had been associate general counsel of the National Board of Fire Underwriters and has brought the department to a high standard. The Illinois chamber, therefore, is particularly anxious that the department be continued on its present high standards and not be allowed to sink back as it was wont in days gone by to become purely a political office.

#### LAW LECTURER SPEAKS

K. Raymond Clark, special lecturer of Northwestern University school of law and a C.L.U., spoke at the brokers seminar of the C. J. Zimmerman general agency of the Connecticut Mutual Life in Chicago on "Relationship of Life Insurance to Trusts and Estates."

#### VERMILLION'S AGENCY ORGAN

G. T. Vermillion, manager of the Mutual Life of New York in Chicago, has started a house organ called the "Vermillion-aire." Playing on his initials, his slogan is, "Go to Victory." The editor of the house organ is N. H. Weiss, one of the leading producers, who has been appointed agency supervisor. Mr. Weiss will keep up his personal production as he has made a splendid record in that direction and desires to maintain it. He has taken charge of the Monday morning meetings for the time being, conducting a forum on "Friendly Selling." Mr. Vermillion has now taken up his residence in Kenilworth, a Chicago suburb.

#### FOHR AGENCY HOUSEWARMING

The Louis J. Fohr agency of the Connecticut Mutual Life, which has recently moved to Suite 1060, 208 South LaSalle street, Chicago, will hold open house next Monday from 1 to 6 p. m.

#### Counsellor Hearing Postponed

Hearing on Max Kalson, fee counsellor employee charged with practicing law without a license, was postponed to April 10 in Flushing court, Queens. District Attorney Sullivan of Queens county haled Kalson into court after one of Kalson's clients complained he had paid \$20 for a consultation in which he had been advised to drop his insurance and buy from another company.

#### Moley Delves Into TNEC Probe in Magazine Article

"The Great Monopoly Mystery," subtitled "The Fascinating Story of the TNEC's Neglected Record," is the leading article in the current "Saturday Evening Post." The author is Raymond Moley, former chief brain-truster of the Roosevelt administration, who is very much opposed to the present New Deal.

Mr. Moley makes several references to the insurance phases of the TNEC investigation, mentioning sarcastically the "fine spirit of impartial examination" and the adroitness of the Securities & Exchange Commission in minimizing anything favorable. There will be two more articles in the series which will take up the insurance angles more fully.

Timothy W. Foley, general agent State Mutual Life, New York City, recently celebrated his 19th anniversary with the company.

#### THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society

Rina West Miller  
Supreme President

Frances D. Partridge  
Supreme Secretary

Port Huron, Michigan

## LEGAL RESERVE FRATERNALS

### Fraternal Week Is Set for May 12-18

May 12-18, has been designated as "Fraternal Week" by the executive committee of the National Fraternal Congress. According to Foster F. Farrell, executive secretary-manager, it is hoped to get a wider, more intensive observance of the week this year than ever before.

A resolution adopted by the executive committee sets forth that there are still millions of men and women who believe in the Fatherhood of God and the brotherhood of man, and whose daily lives symbolize these virtues; that in teaching these principles and making them the cornerstones of their existence, "the great fraternal benefit system of protection is marching steadily on, enlarging its fields of usefulness, gaining in courage and strength; in prominence and stability; in understanding and usefulness; and. . . It is the desire and the objective of the National Fraternal Congress of America that every community become cognizant of the existence of a unified, fraternal crusade against the forces that would destroy our national life, our independence and our providence for our futures; and this crusade can best be made known to the world by the uniting of all our forces, in a dignified presentation of facts to the public and to the press."

#### Call for Wide Observance

The resolution urges all fraternal executives and their organizations in the United States and Canada to unite unanimously in making Fraternal Week "a demonstration of the might and the right of the principles of fraternalism in our two peace-loving countries—that at least one day that week or a portion thereof be devoted to a fraternal program, regardless of race or creed, setting forth the work of fraternal benefit societies, and that an address on this subject be prepared by a prominent fraternalist suitable for program use on this occasion—that there may be reaffirmed to the peoples of this continent that the fraternal benefit system is a potent force in which every local citizen may have a part in creating the kind of world which our forefathers envisioned and for which the fraternal benefit system has consistently stood for nearly three quarters of a century."

Miss Frances D. Partridge, secretary Woman's Benefit, N.F.C. president, has asked a well known leader in the fraternal world to prepare an address to be used in connection with Fraternal Week, and copies of the address will be distributed soon.

The presidents of the state fraternal congresses have been appointed by President Partridge chairmen of special committees to make arrangements in their states for celebration of the week.

#### North American Union Life Commended by Examiners

Assets of North American Union Life of Chicago as at June 30, 1939, amounted to \$2,808,023, according to an examination conducted by the Illinois department. Contingency reserves amounted to \$240,000 and unassigned funds \$314,053.

The examiners state that North American Union Life and Chicago Fraternal Life Association Fund are solvent. The unassigned surplus funds of North American Union amounted to \$285,865 and those of the Chicago Fraternal division to \$28,183. The cash position is deemed to be ample. Profitable operating experiences have resulted in a strengthening of the structure. Insurance in force has been increased by virtue of reinsurance and direct writings by the amount of \$3,503,844 or 33.9 percent. Mortality losses have been favor-

able and expenses do not appear to be excessive. North American Union took over the business of Chicago Fraternal Life Association and Central Benefit Association in 1937 and Tri-Color Benefit Association in 1939.

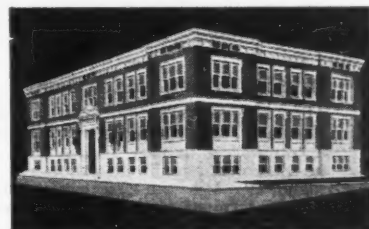
An extensive rewrite program conducted by the Security Conservation Company was undertaken in 1937 in connection with the Chicago Fraternal Life business. From that period until June 30, 1939, 5,296 certificates for total amount of insurance of \$3,705,997 were rewritten on contract forms of North American Union and the volume of insurance remaining in the Chicago Fraternal division was reduced to \$1,322,560. In effecting these exchanges, mortgage and real estate assets applied in part toward premium accounts due amounting to \$565,380, have been transferred from the fund to North American Union. Operations to date, according to examination, have been conducted in accordance with the contractual provisions and accumulated obligations have been currently paid as presented.

As of June 30 there were \$37,119 face value of benefits payable in connection with Central Benefit Association business. J. M. Greenwald, who was retained to assist in conserving the business of that association, was paid a total of \$2,416.

The principal operating officers of North American Union are George E. Cobb, president, and H. H. Witt, secretary. Mr. Witt has supervision of field activity. He is assisted by nine salaried field supervisors. Four branch offices are maintained in the larger cities.

The insurance in force combined accounts, on June 30, 1939, was \$13,839,532.

In reporting the annual meeting of the Illinois Fraternal Congress, O. C. Rentner, vice-president of Aid Associa-



OUR  
50th  
YEAR

This year, our Golden anniversary, is just one of our many steps Forward . . . our large number of attractive policy plans are very easy to sell . . .

Claims Paid  
**\$123,000,000.00**

Reserves and Surplus  
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If it's **STANDARD**, it's good for Life

HOME OFFICE  
LAWRENCE, KANSAS

**STANDARD LIFE ASSOCIATION**

## Our Men

SUCCEED because they represent a successful institution. Our men don't have to sell their clients on the safety and reliability of The Maccabees. Our records of 60 years of service, quarter of a million members and 250 million dollars in benefits paid, do that. Their only job is one of diagnosing the needs of their clients and writing the insurance necessary.

If you want a position where your success is limited only by your ability, and you can meet our requirements, write us. We may have a place for you.

**The Maccabees**  
Detroit, Michigan



tion for Lutherans at Appleton, Wis., was erroneously identified as being connected with Lutheran Mutual Life.

### Aleshire Is Centennial Chief

O. E. Aleshire, president Modern Woodmen, was elected general chairman of committees making arrangements for the 1941 centennial celebration at Rock Island, Ill. His committees are planning a water carnival with floats on the river, a pageant, music festival and other features.

## Seminar Alumni Get Closeup View

(CONTINUED FROM PAGE 1)

lowed without deviation. Pattern means a program uniform in its fundamentals but still leaving ample room for individual initiative. The advantages seem obvious. Even assuming that every general agent has the ability to develop definite plans for each phase of his activity, he still probably does not have the time. If proven methods are embodied in a general company program he can devote his entire time and energy to doing the job instead of finding out how to do it.

"We are definitely of the opinion that training, direction and assistance are just as essential in making a man a successful general agent as in making a life insurance salesman successful. You cannot train men, direct men and assist men in a dozen different methods. A home office agency man, for example, going from point to point, can render far greater assistance if a similar pattern is in operation at all points."

### Thoroughly Tried Out First

Mr. Fulton said that Home Life has systematically experimented with plans to solve each basic agency-building problem and that before any plan is adopted on a company-wide scale it is subjected to trial so that its workability is assured.

"There is a definite company sales plan," he said. "We know beyond a doubt that a man possessing the required qualifications can be made successful if he will follow this plan. The general agent has a definite training program. There are equally definite methods for financing and for constant sales direction. Moreover, there are definite plans for training and developing men who desire to get into agency work. Thus, the ambitious man can not only be assured that an opportunity exists but that methods also exist to qualify him for that opportunity."

Mr. Fulton particularly stressed that the uniform pattern that is adopted cannot stop with agency department operations but must go through the entire home office, resulting in the greatest possible coordination of the activities of the field and the home office; and that the evolution of a well defined company program is a long, arduous and expensive task. He said that while the company has been working on it for a number of years it is not complete and probably never will be but that experiments continue and improvements are made to meet changing conditions.

The inevitable large turnover resulting from lax recruiting is a big reason why life insurance selling has not attracted its share of capable and talented men, said Superintendent of Agencies

Worthington. He expressed the belief that companies and general agents could change the poor public acceptance of the job of life insurance selling comparatively quickly if they would cooperate to make it more difficult for unqualified men to enter the business.

Recalling the Research Bureau's survey of several years ago in which a man posing as a prospective agent had been offered a sales contract in New York City 15 minutes after entering the general agent's office for the first time, Mr. Worthington stressed the emphasis that Home Life is placing on selection. Surveys of its agencies showed that general agents getting the best results from new organization were interviewing 15 to 25 men before selecting the man they wanted. He said a general agent should have from 15 to 20 men available for an opening before attempting to pick the one he feels is best qualified.

### Leave Type to General Agent

Mr. Worthington said that the emphasis should not be on recruiting a certain type of man but that it should be left up to the general agent to determine what type of man he can handle



W. P. WORTHINGTON

most effectively and then go after that type. It is not nearly so important, for the company to determine whether young men, old men, or middle-aged men should be hired. As for finding the right man, he said any successful prospecting plan used by agents in locating prospects for life insurance will work and that usually an essential element is doing something about getting prospects not spasmodically but consistently day after day.

After locating the right type of man, the next step is to show him the opportunities in selling life insurance in such a way to attract him, Mr. Worthington said.

"A strong, well organized story will interest enough men to enable the general agent to select the man he wants," he said. "A weak presentation attracts only weak men. To strengthen its presentation, Home Life has approached it from the angle of describing the qualities in a man who will be attracted by the opportunities in life insurance selling. To be a successful life underwriter a man must possess certain qualities and to the man who has those qualities the business will be most attractive."

### Three Interviews a Minimum

"We believe that you need at least three interviews with the prospective agent before you make a decision. Moreover if you are to have the opportunity of a second and third interview with the man you want you must impress him sufficiently on the first interview to want to make him return for the second."

Results to date with the Research Bureau's aptitude tests have been interesting and have encouraged the company and its general agents to continue to use them, Mr. Worthington said. Home Life uses a rating form which is completed by the general agent on

every prospective applicant for an agent's contract and both the general agent and the home office estimate the man's chances for success before the contract is issued.

### Earnings Doubled in 13 Years

So consistently has Home Life emphasized selective recruiting that it now has less than half the number of agents' contracts in force that it had 13 years ago and yet is producing more business. Mr. Worthington observed that while this is not particularly surprising it does mean that current producers are making twice as much money on the average as the man under contract 13 years ago.

Describing the effect of the quality agency program on persistency of business, Mr. Kelly said that four years ago the company concluded that concentrating exclusively on reinstatement was tackling the persistency problem from the wrong end. Hence, the quality program was designed to make agents appreciate that lapses in the first and second year can be traced to the original sale. Without that appreciation, he said, the company saw no permanent cure for the lapse problem.

### Improved Ratios Result

In four years the quality program produced the lowest first- and second-year lapse rate in the company's history—12.8 percent. The average policy sale for two successive years—1937 and 1938—was the highest in American life insurance and was still further increased last year. Sales of \$1,000 policies declined from 34.4 percent of total volume to 22.6 percent. Quarterly premiums were reduced from 38 percent to 28 percent of total business. In addition, emphasis on quality influenced prospecting to the extent that there was a 35 percent increase in sales to applicants earning more than \$3,000 a year.

Mr. Kelly gave most of the credit for successful application of the quality program to the universal use and acceptance of rating charts by the sales force. The rating chart was developed after an intensive study of lapses in which factors were discovered that were common to business lapsing within its first two years. The Research Bureau furnished evidence from its own studies of lapses and from these studies the factors were drawn that enable the chart to measure accurately the probable persistency.

### Agent Can See Importance

When the agent completes the chart he can readily visualize the importance of all the factors contributing to persistency. So popular has the quality rating chart become that in a recent three-month study it was found that 94 percent of all applications were accompanied by rating charts. Mr. Kelly attributed this widespread acceptance of the rating charts to the fact that a quality program produces for agents and general agents alike increased new production, reduced expenses and better persistency—the three factors controlling profits.

Training should be a continuous process, practically synonymous with direction, and should not be confined to a few weeks' schooling after which the new man is on his own, said Assistant Superintendent of Agencies Evans.

### Omit Technicalities at First

"Too often new men, after such training, in which they are filled up with rates, policies, reserves and other technicalities of life insurance, start out in the field with fear and trembling because they are conscious not so much of what they know but of what they do not know," said Mr. Evans. "Consequently they are apt to call on their poorer prospects because they don't want to 'spoil' the good ones. As a result they do not get into immediate production."

Home Life's method is to arouse a new man's enthusiasm all through his preliminary training period to the point

where he will be eager to get into the field and call on his best contacts. This is done by omitting everything technical until the new man has brought back to his agency a picture of the problems and the policies of his contacts. At that time he is taught the fundamentals by a case method. As case after case is developed, the new man gradually learns his fundamentals and how they apply to particular problems. This method of instruction can be used only in connection with intensive joint field work with the trainer.

## Jackson Made Occidental Home Office Supervisor

Hedley V. Jackson, for the past two years life manager for Cravens, Dargan & Co. at Houston, Tex., has been appointed home office supervisor of the Occidental Life of California. With headquarters temporarily at Houston, he will begin recruiting and training new agents, working with Occidental general agents and managers in the southwest and the Delta region.

He entered life insurance in 1925 with Cravens, Dargan & Co., and remained there until 1931. He returned to the agency in May, 1938, taking charge of its life department. To Occidental field men he is known for his encyclopedic knowledge of the company's rate book and practices, having placed second in the rate book feature quiz at the convention held in San Francisco in August, 1939.

Because of the demands of his new position he has resigned as president of the Houston Life Underwriters Association, in which he has been prominent for years. He is a past president of the Houston C.L.U. chapter, and has held official positions in the Houston General Agents & Managers Association.

## INDUSTRIAL

### Reason for Upward Turn in Industrial Figures

NEW YORK—Reversal of the downward trend in sales of industrial is believed to be due largely to the change in the New York insurance law, effective Jan. 1 of this year, relaxing the year-old ban on industrial endowment insurance to the extent that companies licensed or domiciled here are permitted to write these policies for out of state delivery providing there is no restriction in the state where the business is being sold.

Most of the decline last year was attributed to the New York law, which operated against all companies licensed here, whether domiciled in New York state or elsewhere. Some nationalities have a very strong bias against anything but endowment insurance, feeling that other insurance would be speculating on their children's deaths. Some agents were able to sell 20-pay life to such persons but most were not.

### Women's Trophy Offered

The Industrial Life & Health of Atlanta has offered the low gross trophy for the woman's division of the annual golf tournament of the Industrial Insurers Conference, to be held at Jacksonville, Fla., May 15-17. Women will participate in the golf tournament for the first time.

### Knights Life Is to Expand

Knights Life of Pittsburgh has acquired a three story brick building at 850 Ridge avenue to be used for an extension of the present home office building located at the corner of Ridge and Galveston avenues, N. S.

Complete Social Security data in booklet for 50c. Order from National Underwriter.

### Policy Wallets

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# Sales Ideas and Suggestions

## Opportunities for Better Salesmanship Pointed Out

CINCINNATI — A well balanced program high lighted by leading national and local leaders featured the annual tri-state sales congress sponsored by the Cincinnati Life Underwriters Association. Registration was 351, a large contingent coming from outside points in Indiana, Kentucky and Ohio. Practical sales ideas on prospecting and programming along with pertinent comments on current developments affecting the business and a humorous skit provided variety in the program.

Life insurance has been placed on a higher pedestal than it ever has had before and the agent has much to be thankful for and much to reap in the way of benefits, said C. O. Fischer, vice-president Massachusetts Mutual Life, in the opening address on "The Super Salesman." Life insurance, he said, has received much favorable publicity as well as criticism. As the spotlight has been placed upon life insurance, the business should not be surprised at the criticisms leveled at it, Mr. Fischer declared.

### Ahead of Population Increase

In the last 43 years the population has increased 100 percent but life insurance in force increased 2,500 percent. The criticisms that have been made of life insurance, he said, are criticisms due to the human element which is always present in any matter with which human beings have to do. It is important that the life insurance men recognize and accept the challenge, Mr. Fischer stated.

What the agent does now and how he does it determines the future of life insurance acceptance. The measure and success of insurance is found in the service that the agent performs. The most convincing answer to critics is found in accomplishments of that kind, he said.

The objective of life insurance is to secure representation through men who want to serve and succeed. The cornerstone of confidence in the institution is in the agent and this may be obtained providing there is "responsible representation." "Because we have been put on the spot, we are going to make greater progress in the '40s," Mr. Fischer declared.

### Characteristics of Super-Salesman

He said that the super-salesman is a man of striking personality and has the gift of persuasive power. However, it is essential that the salesman must work earnestly, effectively and wisely. In life insurance, he termed the ideal salesman as the "master life underwriter." In looking over the men of such caliber whom he has known, Mr. Fischer decided that they are doing an effective job selling life insurance because of their qualifications on six counts: (1) They are men of strong character; (2) pleasing personal traits; (3) willing workers and realize the value of time; (4) skillful workers; (5) constantly on their way up—growing and developing; and (6) good citizens.

A feature which is becoming traditional with the Cincinnati association is the appearance at the sales congress of four local leaders. This year, Louis Gutmann, Penn Mutual; H. S. Chase, Mutual Benefit; Clara McBreen, Equitable Society; and E. F. Pierle, Provident Mutual, were the "four horsemen." J. C. Benson, Union Central, was chairman of the symposium and introduced the speakers.

Speaking on "Our Best Markets," Mr. Gutmann said that this is the problem of prospecting. Agents agree, he said,

that prospecting is of 80 percent importance in selling. To become a prospect, a person must have a need, physical and moral character, the ability to pay, and it must be possible for the agent to secure a favorable approach.

Mr. Gutmann said that there are two types of agents, those who prospect effortlessly and automatically and those who make it a definite job which must be consciously carried out.

### Must Be a Reporter

Using a quotation of Roy Howard's which appeared in THE NATIONAL UNDERWRITER, Mr. Chase said that a good agent must be like a reporter who tries to catch a man when he is in the mood to talk. Mr. Chase, speaking on "Selling Your Service," said that he tries to do a complete job for his assured. After the agent has done a good job, the prospect is not hesitant to recommend him. After he has served a prospect, Mr. Chase asks him for the name of one man whom he knows well and permission to use him as a reference.

Mr. Chase said that on this kind of an approach he receives three objections: (1) Glad to meet you, but you are wasting your time because I have just had my policies audited, (2) I stopped buying life insurance five years ago when I completed my program, (3) (rarely), I don't care to have the life insurance company handle my money—I have made a pretty good success financially and I can handle my money better.

Mr. Chase said it was necessary for the agent to have a supply of human interest stories to meet these objections. Stories improve in telling but he never tells stories that aren't true.

### Aids in Accomplishing Purpose

Prospects buy life insurance to accomplish the things they want to do. Mr. Chase stresses life insurance as good property, plus the life value idea, plus the need of most prospects for a sound financial philosophy. He points out the necessity of turning surplus income into property that the prospect won't have to worry about. He tries to instill an emotional urge after the prospect has been shown his need.

The woman underwriter's viewpoint was given by Miss McBreen. The business or professional woman is becoming more and more of a factor in society, Miss McBreen said. She is accustomed to having a plan laid out for her such as is presented by an interior decorator who comes into her home to make recommendations. A life insurance scheme is a financial plan for her.

### Can Save if Given Chance

A woman's usefulness does not come to an end with an age limit. Some women are pretty dumb in arranging their financial lives, Miss McBreen said. It is surprising how much the prospect is able to save if an agent gives her a chance to answer the question, "How much can you save?" She said that there are 10,000,000 business women in the United States and that there is \$10,000,000,000 of life insurance on these women. A philosophy of economy and a financial guide of living has helped her in selling life insurance. A survey of 200 business women showed that their current assets were only \$200 though their earnings were \$27,000 a year. By projecting income into the future, the life insurance agent can do these women a real service.

Use of the gift tax is valuable to

mothers in making provision for children. The \$40,000 life insurance exemption is also useful in that connection, Miss McBreen declared. For women of wealth, their keenest problem is that of taxation. Every woman who has money is tied up with a charitable institution some way, she declared. She said that one wealthy woman in Cincinnati had purchased 65 annuities for friends and relatives.

### Speaks on Motivation

Some powerful motivating stories from his own experience, were used by John Witherspoon, John Hancock, Nashville, in his talk on "Motivation." Motivation, said Mr. Witherspoon, to many men and women is a hot potato because they are afraid that they will look silly using that. Fifteen percent of the population is on relief, 10 percent is wealthy, and the remaining 75 percent is composed of good, honest Americans who work hard to pay their bills and are the prospects for life insurance men, Mr. Witherspoon declared. "If people knew what life insurance is and what it does, they would knock us down and take it away from us," Mr. Witherspoon declared.

More life insurance is sold because some man loved some woman than for any other reason, Mr. Witherspoon said. "Did you ever see a pathetic old rich man in your life?" he asked.

### Education Cuts Down Crime

Crime, Mr. Witherspoon said, begins in the home and 73 percent of the crimes committed are by boys under 23. It costs every man, woman and child in the country \$120 a year for crime and there are 4,300,000 criminals registered in the Federal Bureau of Investigation. Of the 1,952 men in a Tennessee penitentiary, one is a college graduate and five are high school graduates. Educational policies are powerful motivating arguments.

Every business should welcome an impartial study and previous studies have had lasting benefits, so it was natural for life insurance to welcome an investigation, said Charles J. Zimmerman, Connecticut Mutual, Chicago, president National association, the closing speaker on the program.

The announced purpose of the TNEC was to investigate whether the life insurance companies exercise any control of the investment market. No evidence was brought out in the investigation that the companies were not using their funds in the direction of the policyhold-

ers' best interests, Mr. Zimmerman declared. Two implications come from the Washington study, Mr. Zimmerman said. There is a feeling that there is ample evidence to have a real basis for cause and concern for life insurance in Senator O'Mahoney's statement at the beginning of the hearing that a business that is national in scope must be nationally regulated. Many people feel, Mr. Zimmerman said, there is already too much centralization in Washington. The government which is best is a government that is closest to the people. Admittedly, there have been breakdowns in state supervision, but it has demonstrated its ability to supervise the business effectively and efficiently.

The agent should ask himself, "Do I have a worthwhile idea to present?" "Do I have a worthwhile service to render?" for each prospect. Mr. Zimmerman suggested that the agent adopt one major prospecting method and do something about it every day and adopt one minor prospecting method and do something about it every week. Most men fail, he said, because of the men they fail to see rather than the men they fail to sell.

Ralph W. Hoyer, John Hancock, Columbus, president of the Ohio Association of Life Underwriters, extended greetings. He urged attendance at the annual convention of the association in Toledo May 2-4. Governor Bricker of Ohio will be banquet speaker and it is anticipated that he will comment on the state-federal government relationship in a talk which will probably be broadcast, Mr. Hoyer said. Savings banks will probably come up in the legislature and will continue to do so every two years from now on, he said. J. C. Benson, Union Central, Cincinnati, is in charge of the program.

L. B. Scheuer, State Mutual Life, read excerpts from a paper called the "Weekly News Review," which is sent to all teachers of civics in the schools. The publication has a Washington address, but no names of its staff are given. The article read by Mr. Scheuer leaves the impression that it is desirable to dispense with the services of the agent. G. J. Woodward, Equitable Society, said that the paper had caused four Tulsa, Okla., residents to object to talks which had been given by agents before school children in the Tulsa schools.

R. C. O'Connor, Reliance Life, president, said that H. J. Cummings, vice-president Minnesota Mutual, will speak on "How to avoid taking failures" April 12.

## Salesman Succeeds in Ratio to Service He Renders

DETROIT—When a man goes out to sell, he succeeds in direct ratio to the amount of service he renders the men with whom he does business, Tom G. Wade, branch manager Curtis Publishing Company, told the Associated Life General Agents & Managers.

The salesman's job is to offer constructive advice and suggestions to his prospect that will help him solve his problem, Mr. Wade declared. His job is not to sell him something, not to urge him to buy. The science of selling is simply the knack of letting people buy, and of putting them into such a frame of mind that they will want to buy.

More than 20 years of selling have convinced Mr. Wade that the formula for successful salesmanship is very simple: First, horse sense; second, rendering a service that will enable the buyer

to accomplish his objective; and third, the courage to go out and do the job.

"By horse sense I mean the sense to do a little constructive thinking about a call before making it. Figure out what sort of man you are going to call on; how does he think, what are his problems and how can you help him solve them? What is he trying to do? The answers to these questions will tell you how to approach him best.

### Offer Tool to Accomplish Purpose

"When you approach your prospect, you must offer him some tool with which he can accomplish his purpose. If you make him realize just what his problem is and how the tool you offer will help him to solve it, then he will want to buy. No selling will be necessary, least of all high pressure selling. When he wants to buy, what you sell

him will stay sold. Finally, it is self-evident that a salesman must have the courage to go out and tackle his prospects.

"Selling is the only profession in which a man expects to get a prize, not because he wins but simply because he ran in the race. It is not logical, but it is true, nevertheless. Too many salesmen will work fine up to a certain point, but you can't drive them beyond that point, although you know full well that they are quite capable of it. This sort of salesman does something to you instead of for you, and does something to his company and his profession as well. Such men will close more doors in your face in a week than you can open in a year. This is a factor that has done much to crucify the life insurance business."

### Do Things Failures Won't

KANSAS CITY—The common denominator of success is the habit of doing things failures don't like to do, Glen S. Baker, Prudential ordinary manager, told the young men's division of the Kansas City Life Underwriters Association. Although it is more difficult for young men to sell older men they should make it a point to make three "moneyed" contacts each week. He urged agents to develop their own individualized sales manuals by collecting clippings and pictures. Except with men of means, complicated settlement programs should be avoided.

### Rules on Benefit Society Agents

AUSTIN, TEX.—The attorney-general has ruled in an opinion to the insurance board that agents of fraternal benefit societies lawfully doing business in Texas are not required to obtain a license so as to be subject to the penalty provided in the penal code if they do not obtain a license.

### Iowa Farm Sales Continue

DES MOINES—Farm sales by insurance companies have continued at a lively pace in Iowa, Commissioner Fischer reports. The commissioner said he believed the trend of sales was in excess of the last year when some 2,500 farms disposed of by life companies alone.

John W. Yates, California general agent Massachusetts Mutual Life, was honored by his Los Angeles agency at a surprise breakfast on his 45th birthday and seventh anniversary as Los Angeles general agent. The breakfast climaxed six days of solicitation with a goal of one application for each year of Mr. Yates' life, and resulted in 47 applications totaling over \$350,000.

### Seven Points on Closing Given by Warren Smith

BUFFALO—Seven pointers on closing were presented to the Buffalo Life Underwriters Association by Warren H. Smith, Cleveland general agent Northwestern National Life.

"1—Ask the prospect to do something, such as compute his own rates.

"2—Give him an opportunity to make a decision on some minor point.

"3—Tell the prospect what he has to do and show him what it accomplishes.

"4—Make it hard for him not to buy—point out the necessity for buying.

"5—Give him time to think.

"6—Ask 'pulling' questions.

"7—Show him how he can start part of the plan at least.

"Objections raised by the prospect often are closing signals," Mr. Smith said. "Sales may be closed by some quirk which defies analysis. There is no royal road to the close. The close really begins before the approach is made. If each step is logically taken the prospect's mind is prepared for the close. This system produces clients as well as sales."

## C. L. U.

### Hill Urges C. L. U.'s to Put Knowledge Into Practice

LOS ANGELES.—In a challenging talk on "Taking Stock" Grant L. Hill, director of agencies Northwestern Mutual Life, told the Los Angeles C. L. U. chapter that some C. L. U.'s aren't measuring up to their abilities. They do not put their knowledge into practice. They wonder how the big fellow does what he does, but do not realize that he just keeps on doing what he has found took him to the top and doesn't let up. The C. L. U. must think straight if he is to get anywhere. Mr. Hill said that few salesmen do not commit some sales crime. Nine out of 10 have a bad approach and it is a pleasure to run across one who has a new idea. The C. L. U.'s who do not reach the top know their business, but they do not have their facts marshalled to present them properly.

The life agent is paid by the case but his family eats by the year and he must have an even flow of business or else he will experience ups and downs. When the in and outer gets down to business, and get mechanized and keeps plugging on he will have the even flow of business. The trouble is many of the life men do not have their machinery set up to bring about this even flow. A carefully kept prospect file is essential. Even the smart fellow who can keep up an even flow of business without a well kept prospect file can do a great deal better with one.

Mr. Hill urged his audience to stop and take stock, think of what the first quarter of the year has brought them and then plan for the remaining three quarters of the year. The leaders who pay for huge sums of insurance year after year have a plan and work at that plan.

### McCahan Explains Change in Part II of the Course

Recently there has been much interest in the report that there would be a change in the Chartered Life Underwriters educational program. Dr. David McCahan, dean, says that this refers to a proposed change in Part II. He explains it as follows:

"Officials and trustees of the college have felt for some time that Part II examination should be broadened in scope and changed somewhat in its emphasis. A proposal to this end was recommended by the executive committee at its 1936 meeting and subsequently approved by the board of trustees to be put into effect as soon as the new material for this part could be prepared. That material is now in the course of preparation, and it is hoped that it may be ready for use some time this fall. As the proposal mentioned contemplated a type of examination which would be substantially different from the present Part II type, it is not only necessary to have entirely new material for it, but it is also the intention to drop the old Part II entirely and to have the new examination placed at the end of the series to be taken either after all the other four parts have been completed, or to be taken in conjunction with any remaining parts. Further announcement will be made respecting this as soon as the new texts now in course of preparation are ready for use."

### "Streamlined" Congress Is Held in New York City

(CONTINUED FROM PAGE 2)

said that simple programming had helped him greatly in selling larger cases than the circumstances would have indicated. Though not quite two years in the business he has sold an average policy of \$7,200. This type of programming, he said, does not mean get-

ting a man's policies and taking them back to the office for a comprehensive analysis but merely sitting down with him and sketching what his company calls the "house of protection." This frequently boosts the sale from \$4,000 or \$5,000 to \$6,000 or \$7,500. Furthermore it has the advantage of showing up very quickly who are prospects and who are not. By bringing social security into the conversation the agent can quickly get a line on the prospect's earnings and if lack of money shows him to be a poor prospect there is little time wasted.

### Enlightened Laziness

Joseph Lovejoy, Penn Mutual, expounded the gospel of enlightened laziness. The best way to see a man is not to go around ringing doorbells and having nine out of 10 doors slammed in your face, he said, but to figure out who could introduce you to the prospect. After hearing a great deal about hard work in selling life insurance he decided that he would join the cotton growers and hog raisers and adopt as his slogan, "Never do for yourself what you can get someone else to do for you." Consequently, he said, he decided to let the other fellow do the experimenting and then read about it in the various sources of such information.

Mr. Lovejoy said that in keeping with his policy of other fellows doing the work he went to see the prospects and let them tell him what kind of insurance they wanted and then he went back to the office and let the experts show how to accomplish what the prospects—not the agent—wanted done.

### Ten-a-Month Plan

John H. Freye, Jr., Provident Mutual, explained the company's 10-a-month plan, though warning that it is not a cure all or an answer to the question, "How can I bring in business by going to the movies on rainy afternoons?" In the first few days of each month the agent files with his general agent the 10 prospects whom he feels he has the best chance of closing during that month. At the end of the month the prospects naturally fall into one of three groups: sold, discarded, or deferred. Deferred cases become the bulk of future sales but may not be listed as the agent's 10 best prospects, the result being that the agent starts out each month with 10 fresh prospects whom he has selected as the best.

### Minimizes Detail Work

Mr. Freye said the 10-a-month plan had minimized his detail work, that it is flexible and systematic and that each day in each week of every month he knows how much work he has successfully completed and how much is ahead of him.

"If I can't build 10 good prestige prospects a month or if I find my paid for business is falling off, it is no fault of the plan," he said. "The plan itself cannot fail. It continues to work effectively by pointing out weaknesses in my prospecting, prestige building, approaches or selling technique. There is little opportunity in this plan for pipe dreams or convincing myself how hard I am working and how good a job I am doing. The paid for business tells the story."

### SENIOR CLINIC

Harry Gardiner, general agent John Hancock Mutual, recounted an incident showing that some times an apparently hopeless case is pulled out of the fire and turns out better than was originally hoped. An agent in his office had sold \$10,000 and the buyer told him he would buy another \$15,000 the next year but that when that time arrived the policyholder's father-in-law had died and Mrs. Prospect had inherited a considerable amount of money. The prospect seemed to think he needed no more life insurance. Back in the agency, however, a conference took place. A proposition was worked out for \$25,000 of in-

surance on the wife's life and to the agent's pleased surprise there was little trouble in selling it.

Another of Mr. Gardiner's agents who worked among prospects who knew each other well, was faced with several turn-downs because these prospects had got the idea that saving bank deposits offered a better return. However, Mr. Gardiner showed the agent where it was possible to beat saving banks' showing even though they paid 2½ percent on deposits. The agent got two out of the next three applications and his attitude changed from discouragement to enthusiasm.

### Show Why Insurance Is Bought

J. S. Myrick, manager Mutual Life, New York City, said that since the home office looks closely for indications of overinsurance, agents would do well always to attach to the application a memorandum saying why the insurance is being bought and something about the applicant's income. Asked to tell how he had helped agents in tough cases, he said a prospect for a big estate tax policy stalled the agent for three months until the agent finally told him that he was coming in at 2 o'clock with the doctor. The prospect said: "Make it 11 o'clock tomorrow."

Accompanying the agent when he went to place the case, Mr. Myrick urged the prospect to take an extra policy, half as large as the one they had just got a check for, since it was fully needed. He told the prospect that following him up for another three months to get his decision would "try your nerves as much as it would ours" and that he'd better take the insurance immediately. After a silence of two full minutes, the prospect said he would.

### Connell Takes Homans' Place

Pinch-hitting for Sheppard Homans, general agent Equitable Society, New York City, who was ill, C. D. Connell, general agent Provident Mutual, New York City, said it frequently helps the agent to talk over tough cases with the general agent, not because the latter is so smart but because the agent frequently gets so absorbed in a case that he can't see the forest for the trees and it would do him good to talk to anybody about it, even a yellow dog.

For example, he said, an agent may feel discouraged and apologetic about having a case come back rated. Instead he should stick out his chest and tell the prospect how fortunate it was that any insurance was issued at all and that if he hadn't had the best agent in the city, he probably would have been rejected. In one case this change in attitude got the prospect's check for \$50,000, he said.

L. E. Simon, general agent Massachusetts Mutual, New York City, also told of cases in which he had helped his agents.

### Taggart Writes Largest Case

Grant Taggart of Cowley, Wyo., famous million dollar producer of California-Western States Life who has made his 25-year record of outstanding production with an average policy of less than \$4,000, hit the biggest one of his life this month. It was a \$100,000 ordinary life policy on a Cody, Wyo., business man. The largest policy previously written by Mr. Taggart was \$50,000.

### Stumb to Occidental Life

Frank A. Stumb has been appointed regional group representative of the Occidental Life of California, with headquarters in the Chicago branch office.

A native of Nashville, Tenn., he attended the University of the South at Sewanee, Tenn., was group supervisor for the Missouri State Life and in 1929 joined the Continental Assurance, where he has been manager of group sales.

Alex Hoag, who has been with the Illinois Bankers Life in Fort Worth, has been appointed district manager of the Reliance Life at San Angelo, Tex.









# • RECENT COURT DECISIONS •

## Family Income Pays From Date of Death

A controversy as to the time for commencement of payment of installments under a family income policy has been resolved in favor of the assured by the court of appeals of Cuyahoga county, O., in *Cummings vs. State Mutual Life*.

C. G. Cummings, who died Dec. 21, 1936, had a family income policy providing for payment of \$50 a month if the assured should die before May 14, 1941.

State Mutual Life maintained that the first payment of monthly income was to be made after the date of due proof of claim and that the payment would include nothing by way of income from the date of death to the date of the filing of proof of claim.

The court stated that the provision relied upon by State Mutual does not constitute a clear cut statement that in the event of death the company will pay \$50 upon due proof of death and a like amount monthly thereafter. Instead, State Mutual promised to pay, in the event the assured shall die prior to May 14, 1941, "a monthly income of \$50 . . . on proof of the death of the assured."

### Says Words Ambiguous

The words, "upon due proof of death," according to the court, are ambiguous. They might be taken to mean that the monthly income is to begin with death, but that no part of such income is to be paid until proof of death is filed, and the addition of the words "and a like amount monthly thereafter" does not resolve the ambiguity.

The plaintiff offered certain advertising matter with regard to the "State Mutual family income plan" which states:

"Guaranteed income to your family plus dividends from date of death, until 10 years from the date of the policy, and then \$5,000 or the equivalent life pension to the beneficiary."

The lower court rejected this evidence on the ground that no evidence was offered that this representation had been made to the assured. The higher court seemed to feel that the evidence should have been permissible.

There was at issue another policy providing for \$2,000 in connection with which the assured had elected the interest option. The beneficiary contended in connection with that contract that the interest should have been paid from the date of death rather than from the date of proof. However, the court held for the insurer in this case, stating that the policy provides that State Mutual promises to pay the amount to beneficiary upon the due proof of death. There is no ambiguity in the terms of that contract as to when the payment under the policy should be made.

## "App" Not Attached to Policy, But Fraud Is Proven

On the ground that a fraud is a fraud when legally proven, the court of appeals of Tennessee, in *Adams vs. Manhattan Life*, held for the insurer even though the application was not attached to the policy at issue.

The assured was C. C. Adams who had been in the insurance business all his life and had become manager of a fraternal insurance agency at Nashville in 1935. In that year he took out the Manhattan Life policy. He denied having had diseases which, according to the uncontroverted evidence, he knew that he had and for which he had been undergoing treatment. His wife denied that he had these diseases but she did not deny that he had been treated for them. However, according to the higher court, her testimony on these

diseases is only the testimony of a layman and is not entitled to any weight as against medical expert testimony. Adams, an insurance man, according to the court, knew that a policy would not be issued to him if he answered that he had had syphilis and heart disease at the time he applied.

The higher court held that the application was not complete and in such case the application is not to be considered a part of the policy or received in evidence in a suit brought upon it. But the issuance of the policy was procured by the fraud and misrepresentation of Adams and the application may be looked to for this purpose, and the beneficiary cannot recover. "We think that under all the evidence," the court stated, "the assured intended at the start to perpetrate a fraud by procuring a policy that he was not entitled to and it makes no difference whether the fraud is proven by outside facts or by statements made in the application proven to be false. A fraud is a fraud when legally proven."

## Beneficiary Not "Dependent" on Assured; Fraternal Wins

A case involving construction of the Missouri statute confining payment of death benefits on the part of fraternal to persons bearing a designated relationship to the member or to persons dependent upon him has been resolved by the St. Louis court of appeals in favor of the fraternal in *Blocker vs. Most Worshipful Grand Lodge of Ancient Free & Accepted Masons for the State of Missouri and Its Masonic Jurisdiction*. The named beneficiary who was 26 years of age, had made his home with an aunt in St. Louis, who took in roomers. One of the roomers was William Summers, who carried the insurance, with Blocker as the beneficiary. Summers contributed towards the support of Blocker in small ways. At the time of Summers' death, Blocker was attending Lincoln University at Jefferson City and did part time jobs. He got some small financial assistance from Summers. In his suit he asserted that without Summers' assistance he wouldn't have been able "to go so far." The court held that the insurer rightfully refused to pay any benefit, inasmuch as Blocker failed to show any dependency except the receipt of occa-

sional assistance as a University student.

## Fails to Circumvent Death in 90 Days Provision

In an effort to collect double indemnity benefits, the beneficiary in the case of *Equitable Society vs. Aaron*, asserted the theory that the provision that death must occur within 90 days after the accident is against public policy in that it tends to induce an assured to hasten his own death. The United States circuit court of appeals for the sixth circuit held for the insurer, however. Aaron, an employee of a manufacturing concern, purchased a \$10,000 policy with double indemnity in Battle Creek, Mich. He was injured in an accident in October, 1935, and died as a result Jan. 31, 1936.

## Premium Date Specified in Policy Is Held to Control

In a controversy over the date when a policy became effective, the Iowa supreme court has held for the insurer in *Wall vs. Mutual Life of New York*. The rule in Iowa, according to the supreme court, is that the policy having set out the annual premium dates, and having been issued and accepted, determines the date of lapse in the absence of the establishment of grounds for reformation. Any other rule renders uncertain the period covered by the contract and would frequently involve the determination of the period by matters outside of the express terms thereon.

### Application Dated June 10, 1924

Joseph P. Wall applied for a \$5,000 policy with double indemnity benefits, the application being dated June 10, 1924. On July 1 or 2 the policy was received by the agent dated June 14. The policy was sent to the Davenport office of Mutual Life where it was received June 30. The policy was delivered to Wall on or about Aug. 5, according to the beneficiary, but Mutual Life claimed it was delivered on or about July 1.

On Aug. 14, 1925, Wall died from accidental means. He did not pay the second premium. On Aug. 4, 1924, Wall paid half of the premium and gave a note to Boyle, the agent, for the balance. The beneficiary contended that the policy was not in force until the

payment which was made on Aug. 4, 1924, but the supreme court holds that the annual premium date set forth in the policy controls.

## Trustee in Bankruptcy Can't Reach Cash Value

The federal court for the western district of Kentucky has held in favor of the named beneficiary and against the trustee in bankruptcy of the assured for the proceeds of policies in *Massachusetts Mutual Life* amounting to \$15,352. The case was *Massachusetts Mutual vs. Switow, et. al.* Massachusetts Mutual issued the policies to Charles Gordon in 1919 and 1921. The first beneficiary was his mother, Etta Gordon. There were several changes in beneficiary until at the time of his death the beneficiary was S. J. Switow.

### Cites Right to Change

Gordon filed his petition in bankruptcy as a resident of Florida in 1928. The surrender values of his policies were not listed as assets of the bankrupt estate.

The trustee in bankruptcy claimed that Switow was a relative by marriage of Gordon, had no insurable interest in the policies and that the trustee should get the cash surrender value as of the day on which the petition in bankruptcy was filed.

The trustee claimed that although the policies were payable to the mother at the time of bankruptcy the right of the assured to change the beneficiary made the cash surrender value an asset of the bankrupt estate.

### Not in Accordance With Law

Gordon, however, had elected to limit the change of beneficiary in this way: "The right to change only to a relative by blood or marriage, or to a dependent, but not to myself or my estate or personal representative." Also the right to collect the surrender value required the written consent of the beneficiary. Gordon's mother did not consent in writing to the surrender of the policy.

The cases referred to by the trustee recognize the right of the trustee to obtain the surrender value where the assured has the unconditional right to change the beneficiary to his own estate. Here the assured did not have that unconditional right and the trustee has no valid claim, the court held.

## Rejects Death Certificate Statement of Cause

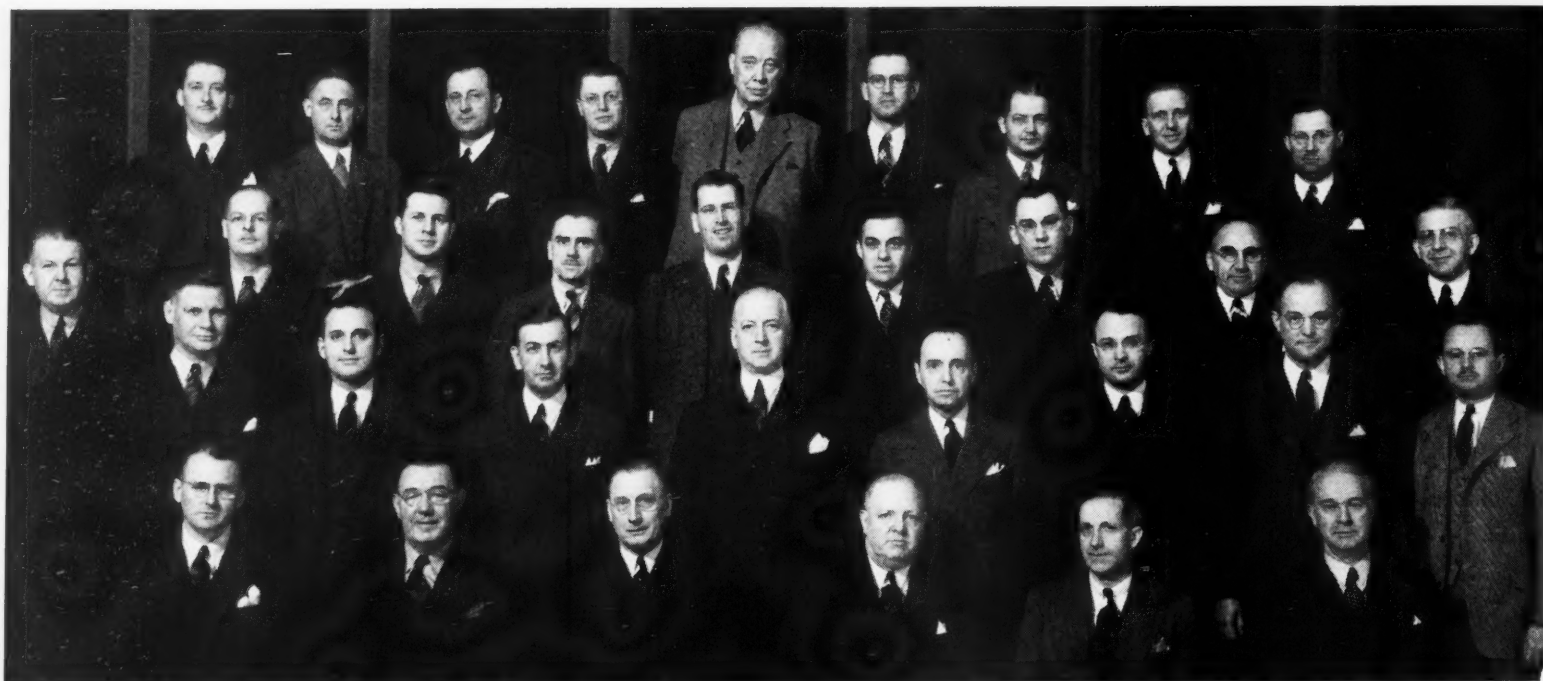
An official death certificate, made by an acting county physician, which stated the cause of death to be a fall from a ladder, whereas as a matter of fact death was caused by disease, should not be given an effect to defeat the proper determination of the case, according to the New Jersey court of errors and appeals in holding for the insurer in *Aitken vs. John Hancock Mutual*.

### Law Was Not Followed

Presumably, the county physician made little or no inquiry such as would have revealed the true situation. The duty to make a death certificate devolves upon the county physician when there is no attending physician. Where, as here, there was an attending physician, the particulars should have been supplied by him. Thus the certificate was not made in accordance with law. The beneficiary relied upon a statute that makes a death certificate prima facie evidence of the facts therein stated. The higher court held that the law means that only a death certificate made in accordance with law could be prima facie evidence.



Nine general agencies of Pacific Mutual Life will receive recognition for their production records when A. N. Kemp, president, and D. C. MacEwen, vice-president, are company hosts at banquets to be held during April in each of the prize-winning cities. Shown here are the nine general agents who will be honored. The dates on which the banquets will be held are: Chicago, April 1; Lynchburg, April 3; Miami, April 5; Atlanta, April 8; Houston, April 10; Dallas, April 12; Oakland, April 22; Portland, April 24, and Salt Lake City, April 26.



At Research Bureau's home office executives' seminar in Chicago. Front row, left to right, Calvin Pontius, Fidelity Mutual; Ray P. Cox, California-Western States; A. B. Olson, Guarantee Mutual; E. H. Mulock, Central of Iowa; E. H. Hanley, North American of Canada; D. E. Kilgour, North American of Canada.

Second row, J. J. Murray, Dominion Life; H. E. Whiteley, Central of Iowa; W. M. Rothaermel, Continental American; C. D. Devlin, Confederation Life; W. E. White, Continental Assurance; Gladstone Shafer, Dominion Life; Charles T. Cravens, Continental Assurance; K. R. Miller, Atlantic L'.

Third row, R. E. Halstead, Continental American; J. B. Silvester, Imperial Life; J. A. Broadbent, Manufacturers Life; K. T. Moore, Manufacturers Life; R. H. Belknap, Occidental; Grant Westgate, Ohio National; Peter Hondorp, Central of Iowa; J. M. Holcombe, Jr., Research Bureau; W. S. Chapman, Research Bureau.

Fourth row, H. C. Carden, United Benefit; L. S. Morrison, Research Bureau; R. V. Hatcher, Atlantic Life; J. K. MacDonald, Confederation Life; A. B. Slattengren, Mutual Trust; Ward Phelps, Research Bureau; J. H. Evans, Ohio National; R. B. Proctor, Research Bureau; B. N. Woodson, Research Bureau.



Vice-president Eugene L. Stritch of the National Life & Accident accompanied by Mrs. Stritch, his sister, and two brothers witnessed the installation ceremonies in Chicago when his brother, Archbishop Samuel A. Stritch, formerly head of the Milwaukee diocese of the Roman Catholic Church, was elevated to the Chicago diocese as ruler of the largest archiepiscopal see in the United States. Archbishop Stritch is also a native Nashvillian, having served his church in his boyhood as altar boy. Seen above are Miss Maymie Stritch, Dr. R. O. Tucker, Nashville physician who officiated at the celebrated churchman's birth, and Vice-president Stritch, with Father George Flanigen in background.



The Provident Mutual Life observed its 75th anniversary at its beautiful home office building in Philadelphia. Agents and the home office staff served as hosts to visiting policyholders.

#### BELOW

Many distinguished guests attended the District of Columbia C.L.U. banquet in Washington, including (left to right) W. P. Rumble, Metropolitan Life Potomac manager; S. E. Mooers, vice-president Acacia Mutual; (front row) J. M. Holcombe, Jr., manager Sales Research Bureau; H. C. Fisher, Aetna, president local chapter; E. W. Brailley, New England Mutual, Cleveland, president national chapter; (standing) William Montgomery, president Acacia Mutual; A. A. Rydgren, president Continental American; Morton Wilner, State Mutual general agent, Philadelphia; Joseph Wilner, Washington philanthropist and father of Morton and Bernard; Bernard Wilner, District of Columbia general agent State Mutual.

